

ECONOMIC BEHAVIOR AND ENVIRONMENTAL ETHICS IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

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Abstract

Economic behavior is the goal-oriented activity of an economic entity, regulated by the criterion of profits maximizing. The interaction of the main subjects of social interaction through the prism "human ↔ nature ↔ society" is considered. It was found out that the peculiarities of the key micro-, meso- and macro-level entities behavior, the producer and consumer, the employer and employee, the state and the individual assume different benefits, maximize utility from the economic resource use and recombination. In this process must be taking into account the environmental component. The characteristic of economic behavior is considered through such factors as rationality, pragmatism, exchange efficiency, morality, and environmental ethics.

The micro level of economic behavior presupposes the interaction of people, while using the nature gifts to satisfy their lower, physiological needs - the level of interaction "human-nature". To satisfy his basic needs a human uses the direct gifts of nature, which do not require its resources significant transformations. Biological unity and equality of all living organisms is the law of nature, the basis of partnership. The meso level of economic behavior is viewed through the prism of "human-society". This is due to the fact that a human cannot exist in nature alone, to survive people unite in societies and carry out joint activities. Definitely the development in this vein crystallizes the problem of economic behavior. Economic behavior is characterized by such attributes as rationality, pragmatism, the equivalence of exchange. Rationality is considered as an activity based on experience that assumes reasonableness, meaningfulness of decision-making under the prevailing conditions, in conditions of boundless human needs and limited natural resources and their fullest use. Rationality of behavior at the level of "human ↔ society" is formed under the influence of

relevant social norms and organizations, structuring and guiding it. The macro level implies the interaction "human ↔ society ↔ state". It should be considered that nature acts as a producer of goods to satisfy human needs, i.e. consumer, thereby transitioning to the level of "society ↔ nature". And it is at this level that there are such entities as enterprises and the state that directly influence on the economic behavior of a person in the prevailing existence conditions. Economic development of the state depends on the norms that regulate the behavior of an individual person, personality. The person economic behavior depends on the norms that are hauled down by the state, and the methods for their implementation.

The economy should ensure the development of the most effective, from economic point of view, standards that facilitate the implementation of economic relations. Qualities such as honesty, responsibility, diligence are positive for the person not only from the moral and ethical point of view, but also from the economic one, as they promote the development of an effective economic system, by means of innovative activity through the creation, transfer and application of innovations.

Key words: *Economic behavior, Environmental ethics, Sustainable development, Systemic transformation, Morality, Rationality, Pragmatism.*

1. Introduction

In the conditions of the economic system protracted transformation, the problems of rationality and pragmatism of the business entities behavior are becoming increasingly important because this is the basis for the

further development of society. In this regard, it is necessary to take into account the ecological component of the subject's relationships, the consequences of their management. Economic behavior and its analysis have become the topic of research by many modern foreign and native scientists, among which it is worthwhile to identify: Petrushin T., who studies the socio-economic behavior of the population of Ukraine in the institutional changes conditions and understands by economic behavior the totality of socio-communicative actions of economic entities at different levels of socio-economic relations [1]; Tambovtseva V., who views economic behavior as a goal-oriented activity of an economic entity, regulated by the maximizing profits criterion [2]; and Arrow K., who understands under economic behavior the actions of participants in the economic process aimed at choosing the most beneficial alternatives [3]. A number of scientists, in particular Melnik L., consider economic behavior taking into account its influence on the environment state, the formation of a sustainable development system [4]. Human behavior is controlled by feelings - addictions, affects and mind play their role only at the secondary level, in the rationalization process. Our behavior - in fact, is not the result of calculating the advantage or disadvantage, benefits and costs. Our behavior is rather governed by forces that remain unknown to us, incomprehensible; emotions that motivate us to action [5]. At the same time, it is necessary to take into account the complex, interrelated analysis of behavioral, cultural and institutional components of people's economic life, its impact on the society environment, since it is it who is able to give an integral picture of the socio-economic mechanism of human development. It is in this aspect that it becomes necessary to take into account such a factor as environmental ethics that offers and protects a systematic and comprehensive concept of the moral relationship between mankind and nature [6], because human economic behavior leads to the nature depletion, thereby condemning humanity to extinction.

The aim of this article is in considering the triangle of relations "human ↔ nature ↔ society" at micro and macro levels, assessing the economic behavior of business entities, taking into account interpersonal, and environmental ethical standards.

2. Materials and Methods

To achieve the goal of the article, we were using the following methods: analysis when comparing the definitions of the category "economic behavior" and clarifying its essence; synthesis in determining the interdependence of economic entities behavior at microeconomic and macroeconomic levels, taking into account environmental ethics; scientific abstraction

in describing economic behavior by means of the rationality, pragmatism and socio-economic exchange principles to harmonize economic interests in the aspect of environmental development; dynamic analysis in the formation of data on the ecological footprint of a person and related indicators; on the basis of a comparative analysis, a parallel was drawn between Ukraine and Finland.

Thanks to the system analysis method, the relationship between economic behavior, environmental ethics and sustainable development of society is revealed and a conclusion is drawn about a number of institutional factors influencing this relationship.

3. Results and Discussion

The key concept of our research is the category of "economic behavior", namely the behavior of an economic entity, which can be: one person, a family, an organization, a state or a nation. Thus, the object of research can be represented at different levels of economic interaction between subjects - micro- and macroeconomic.

The micro level of economic behavior presupposes the interaction of people, their use of the nature gifts to satisfy their lower, physiological needs - to consume, in order to live. Here we can distinguish the level of interaction "human-nature", where a person takes everything necessary for his existence from the material and energy environment [7]. A person to satisfy his basic needs uses direct gifts of nature that do not require significant transformations of it resources. The biological unity and equality of all living organisms is the law of nature, the basis of partnership. The partnership between human and nature corresponds to the laws of it development, an equivalent energy exchange takes place between them. It is from this that the ideal of equality that in the economic life is realized through the striving of human to the principles of social justice, the justice of the resources distribution and produced goods. In this aspect it is worthwhile to pay attention to the problem of environmental justice, which aims at an equal opportunity of using natural resources to meet its needs in different spatial spheres (territories, countries, social groups), both in the short and long term, within one generation and between different generations [4].

Further, considering the chain "human ↔ nature ↔ society", let us stop on the segment "human ↔ society". This is due to the fact that a person cannot exist in nature alone, for survival people unite in societies and carry out joint activities. It is development in this vein that crystallizes the problem of economic behavior. Economic behavior is characterized by such attributes as: rationality, pragmatism, equivalence of exchange [1]. In this case, it is necessary to find out the essence of each feature.

Rationality is seen as an activity based on: experience, presupposing reasonableness, meaningfulness of decision-making under the prevailing conditions, in conditions of the boundlessness of human needs and the limited nature resources and their fullest use. Rationality of behavior at the level of "human ↔ society" is formed under the influence of the relevant social norms and organizations, structuring and guiding it. The main goal of rational behavior is the maximization of benefits with a minimum of costs for all types of resources. It is the maximization of benefits and the minimization of costs - the main criterion of rationality, which implies pragmatism, an assessment of the causes and consequences, motivation for the most profitable result of the activity.

The pragmatic nature of economic behavior presupposes a conscious following in activity the idea of benefits rational maximization, without taking into account social, legal and other institutional norms. In the process of evolution, human needs increase in a quantitative and qualitative ratio, and it is society that becomes the subject and source of satisfaction of ever increasing needs, rationality is obeying this social law. The degree of satisfaction of these needs reflects the level of development of the economy, human well-being and society.

Relations of socio-economic exchange are the orderly actions of the subject about the pragmatic mutual reward, mutual orientations and expectations. These relations arise between producers and consumers as a form of realizing the social division of economic operators. It should be taking into account that nature acts as a producer of goods for human (i.e. consumer) needs satisfaction, thereby the transitioning to the level of "society ↔ nature" occurs. And it is at this level that there are such entities as the enterprises, the state directly influencing on the person economic behavior in the set conditions of existence. Thus, the researched object is shifted from the micro level to the macro level.

The macro level of economic behavior presupposes interaction between the state and the society, their partner, orderly relations. The state economic development depends on the norms that regulate the behavior of a separate person, personality. The person economic behavior depends on the norms that are lowered by the state, and the methods for their implementation. The economic system should ensure the development of the most effective from the economic point of view standards that facilitate the implementation of economic relations. Qualities such as honesty, responsibility, diligence are positive not only from the moral and ethical point of view, but also from the economic point of view, as they contribute to the development of an effective economic system, by innovative activity through the innovations creation, transfer and application. Economic behavior supposes the various benefits

obtaining, maximizing utility from the economic resources use and recombination. If we focus on the behavior of the economic entity and the rules by which it is guided, it will become clear that its condition is determined by its behavior, choice and intentions. The fact of how much money is available and if its quantity is less or more than his partners have got - it is a criterion that is not significant for evaluation. Fair and unfair can be both the producer and the consumer, depending on how their actions correspond to universal moral standards, that is to what extent they recognize the law norms and independent person in the face of other. The equal application of standards is the realization of an equal moral status, on the basis of which we can give a moral assessment a person, a group of people, society behavior. Moral equality means that a crime is a crime, regardless of which entity did it, and a fair transaction that generates a profit is a fair deal, regardless of who takes part in it [8].

Returning to the rationality of economic behavior both the crime and the honest transaction can be both rational and irrational. The fact is that a person cannot always clearly and adequately realize the situation or choose so that his benefit is maximized, so irrationality appears. The irrationality of economic action can bring potential harm, which often acts against a person and in the long term the person will regret about it, so in this aspect the decision about the rationality and irrationality of economic activity becomes critically important [9, p. 70]. This understanding is of particular importance for understanding the sustainable development of mankind and the implementation of environmental ethics norms.

Environmental ethics admit that the person economic behavior concerning to the world around him must follow moral principles, be based on the basic postulates of the business entities socio-economic responsibility for their activities in front of human, society and nature. It should be noted that ecological ethics do not contradict the main features of economic behavior, such as rationality, pragmatism, equivalence of exchange. In this case it is necessary to understand and implement the conditions of equilibrium nature management, which involves the natural resources restoration after human intervention. And it is here that it is important to consider the rational behavior of the producer.

The rational behavior of the producer is the innovations permanent implementation into his production process with the aim of benefit gaining, namely, maximizing profits with the least possible costs. In the conditions of economic system permanent transformation, this is quite important and puts forward the idea of perceiving such behavior, namely, the ability to create, transfer and reproduce innovations. This creates a relationship of socio-economic responsibil-

ity for environmental effects that should be positive for a person and society as a whole. Otherwise, the environmental costs caused by the negative impact on the environment should be compensated by the innovator on the basis of the "polluter pays" principle. Taking into consideration the mentioned above producers are setting up to the importance of obtaining a new quality resource for the implementation of the social production process by attracting a highly skilled workforce that facilitates the ecological improvement of the reproduction processes in the economy, when with each production cycle less environmentally perfect and efficient economic factors such as production systems, resources consumption types, economic relations, would be replaced by more perfect and effective ones [4].

The next stage in the producer's economic behavior implementation on the way to sustainable development is to form a pragmatic motivation for environmental conditioning, based on the principle of "to know - to want - to be able to". "To know" involves understanding about the problems of interaction between human and nature, possessing information about the social and economic consequences of ecosystem violations as a result of the innovative technologies implementation, able to predict and evaluate them qualitatively and quantitatively. "To want" - implies the inherent to the economic mechanism the social and economic interest in the environmental goals achievement. "To know" - provides ecological opportunities of technology and skills of people, their ability to produce products and services, to carry out work with minimal violations of the environment [4]. It follows that the producer pragmatic motivation lies in the formation of adequate modernity, the system of training and retraining of skilled personnel at the enterprise, minimizing their costs in the long run taking into account environmental ethics. This task cannot be solved without the participation of the state.

The state plays a special role in the relations "human ↔ nature ↔ society", because it is the controller of the

interests balance achievement of these relations main subjects on the way to sustainable development, as far as any market economy is concerned, especially in the conditions of disproportionate transformation of socio-economic relations. State control should be carried out by the economic and non-economic instruments.

Economic instruments of state intervention in the economic activity process, such as environmental payments, taxes, fines, trade of pollution rights and others, are the process of internalizing the negative consequences of products production and consumption that have turned into peculiar negative products of public use, so they are a kind of stimulus for seeking new effective ways of using resources. At the same time, the economic tool for solving the environmental problem is the training of personnel with the appropriate qualifications. The state through the employment services directs significant funds for training and retraining of workers for their qualitative correspondence to the needs of the economy structure, provides workers with scholarships, preferential loans for retraining, compensates transportation costs, and so on. It should be assumed that with the formation of an effective owner interested in economic growth, employers' interest in improving the workforce skills is increasing. Moreover, the implementation of pragmatic motivation can also be attributed to spending their own funds to improve the enterprise workforce quality [4].

Non-economic instruments of state intervention presuppose the limitation in space or in time of certain activities related to the natural resources exploitation or the impact on the natural environment. These actions are becoming more relevant, as the ecological footprint is growing, especially for developed countries. Table 1 presents comparative data on the ecological footprint and development indicators of countries in Finland, an example of a developed country, and Ukraine, an example of a less developed one.

In fact, the introduction of non-economic instruments, such as quotas, prohibitions, restrictions, means

Table 1. Ecological footprint and other related indicators of Finland and Ukraine

| Indicators | 2006 | 2009 | 2012 | 2016 |
|------------------------------|-------|-------|-------|-------|
| Finland | | | | |
| Ecological footprint, g/ha | 7 | 5,2 | 6,21 | 5,9 |
| Human development index | 0,941 | 0,952 | 0,882 | 0,952 |
| GDP per capita, \$ | 27619 | 32153 | 36473 | 47416 |
| Population, thousand persons | 5200 | 5246 | 5364 | 5413 |
| Ukraine | | | | |
| Ecological footprint, g/ha | 3,3 | 2,7 | 3,19 | 2,8 |
| Human development index | 0,786 | 0,788 | 0,743 | 0,788 |
| GDP per capita, \$ | 5491 | 6848 | 6721 | 3855 |
| Population, thousand persons | 48224 | 47105 | 45871 | 45593 |

Created by: [10, 11].

simultaneously market mechanism operations suspending that have negative effect on the natural environment, thereby aiming at maximizing environmental interests, thereby actualizing the rationality of the society economic behavior [4]. Some European countries "taking into account that uncontrolled economic development can result in a dangerous level of environmental pollution; taking into account the fact that human life and health, the environment, fauna and flora must be protected by all means; taking into account that uncontrolled use of technologies and excessive exploitation of natural resources entail a serious threat to the environment that must be overcome by appropriate and concerted measures ... " acceded to the Convention on the Protection of Environment through Criminal Law [12], Ukraine belongs to such countries (the Convention was signed on January 24, 2006).

As far as the consumer in the relationship "human ↔ nature ↔ society" concerned the rational one seeks to get the maximum benefit from the goods and services purchased. At the same time, he can achieve equilibrium by correlating the benefits obtained from the consumed goods with the real income he has received. At the same time, his pragmatic motivation is the aspect of having work and access to the benefits necessary for existence. Focusing on the European standards in the consumption field, placing a high standard of living at the center, people are forced to work hard, to show personal activity, to be inventive and. Therefore, the basis for their behavior is the desire for super profit and success in business. As a consequence, material values prevail over spiritual values, and time acts as a parameter of effective economic behavior, the basis of pragmatic motivation for activity. The greatest value of modern human is his work and its results. A rational person loves and knows how to work hard. The basis of his economic mentality compile such features as business-liking, diligence, pushfulness, self-discipline and self-organization propensity, elevated feelings of own dignity. Proceeding from this, it is necessary to assume that on the way for sustainable development the economic mentality of an ordinary citizen will be supplemented by a feature of ecological rationality, conditioned by its natural function for the future generation caring.

Under these conditions, the state should provide a normative base that warns the "burnout at work" of the bulk of consumers through the implementation of measures to punish employers / producers for intensifying labor. At the same time, under the conditions of the main entities interaction, the relations of socio-economic exchange are carried out, which assume the benefit maximization of each of them.

The relations of social and economic exchange are carried out on the institutional basis formed by the state by means of the economic policy implementation.

Economic policy from the standpoint of the economic behavior concept is carried out by affecting the consciousness and subconsciousness of the economic entity. The goal understood in this context is to correct their behavior. Therefore, the state seeks to encourage its citizens to make such decisions that would correspond to the state main tasks and intentions from the standpoint of pragmatic motivation and rationality in both the short and long term. The state ensures the social balance of consumers and producers, provides a nationwide sense of tranquility and relative material satisfaction. This is achieved by means of the various social programs implementation, for example, assistance to the poor, unemployed, pensioners, large families etc., providing guarantees and implementing programs for the development of small and medium-sized businesses. At the same time, such a policy forms a positive image of the state in the eyes of society.

4. Conclusions

- Thus, in the context of the socio-economic systems constant transformation, it is of fundamental importance to investigate the socio-cultural, ecological dynamics, the social production and consumption structure within the chain "human ↔ nature ↔ society" at all levels of its interaction, because on this basis should be formed effective and adequate social-economic policy to the interests of society. At the same time must be taken into account rationality, pragmatism and peculiarities of the economic entities socio-economic exchange in the current conditions, including the implementation of the sustainable development strategy. It is also necessary to remember the main goal of the business entities - the personal benefits maximization in the short and long term and also that society development inconsistent by its nature and economic behavior can be rational, corresponding calculations, norms, rules, experience and irrational, unpredictable as well.

- The perspectives for further theoretical studies are the identification of cultural features of economic entities behavior, methods of their correction through institutional projection of society socio-economic development in the short and long term, and the study of the contradictions of economic behavior, taking into account such institutional norms as trust, responsibility, empathy, legalism, security, relations "power ↔ property ↔ efficiency".

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