

The Ethics of Wealth Creation: How Philosophy Shapes Economic Success

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Abstract:

This research paper explores the intersection of philosophy and wealth creation, investigating the ethical considerations underpinning economic success. It focuses on various philosophical perspectives and their influence on the principles and practices which guide individuals and society. They pursue wealth by delving into philosophical and economic theories of wealth creation. It highlights the philosophical framework that shapes economic behaviour, various policies and their outcomes. The paper argues that understanding and incorporating ethical principles into economic decisions can lead to a more just and sustainable society. The creation of wealth is a fundamental aspect of modern society, and the pursuit of economic success is a driving force for many individuals and businesses. However, the ethics of wealth creation have become significantly important in recent years, as concerns about income inequality, social justice, and environmental sustainability have come to the forefront of public discourse. This paper explores the role of philosophy in shaping the ethics of wealth creation and its impact on economic success. Philosophical principles can be applied in practice using business and public policy examples. Incorporating ethical considerations into economic decision-making can lead to a just and virtuous society, and businesses prioritising social responsibility are more likely to succeed in the long term. Considering the ethical implications significant for wealth creation and the role of philosophy in shaping economic success is essential. Understanding ethical principles can help individuals and businesses make informed choices and contribute to a more equitable and sustainable society.

Introduction:

In today's world, wealth creation is critical in shaping the economic society, where economic success and wealth accumulation are fundamental drivers of individual and collective prosperity. Economic activity has a tremendous impact on human life, taking into consideration social justice, environmental sustainability and individual well-being. Throughout history, different philosophical perspectives have influenced economic theories. We take into account Utilitarianism which makes an evaluation based on utility that is derived by the number of people; where this perspective has helped in influencing various economic policies which look into maximising the social welfare of the people. Ethical dimensions of wealth creation have gained significant limelight in recent years as it is concerned with economic inequality, corporate social responsibility and environmental impact, which is caused by economic activity and has brought great concern ethics for individuals, business entities and the Government in the process of wealth creation. It will help us understand how ethics can guide us

and help us make informed economic decisions that will help develop a more equitable and responsible economic system. Wealth creation is often seen as the ultimate goal of economic activity. However, how wealth is created can have significant ethical implications. Pursuing profit can sometimes lead to unethical behaviour, such as the exploitation of workers or damage to the environment. Here arrives the role of philosophy. Philosophical principles can shape economic systems and guide individuals in pursuing wealth creation. This paper will explore the relationship between ethics and wealth creation, the role of philosophy in economics, and the significance of ethical principles in business and capitalism. By examining these topics, we can better understand how philosophy shapes economic success and the importance of ethical behaviour in pursuing wealth.

Meaning of wealth creation:

“In classical Indian philosophy, there are four Purusharthas, or goals of human life. These Purusharthas are Dharma, Artha, Kama, and Moksha. Artha is one of the four Purusharthas and

is often translated as wealth, prosperity, or material success” (Mesquita & Naik Salgaonkar, 2023, p. 165). Wealth creation refers to generating and accumulating resources, assets and financial value over time. It involves the creation of economic value through various means, such as entrepreneurship, investment, innovation and productive activities, where wealth creation encompasses the generation of income, accumulation of assets and enhancement of the overall financial well-being. *Wealth creation* is a process which occurs at a personal level as well as a social level. At a personal level, it involves accumulating personal financial assets such as savings, investments and ownership of assets contributing to an individual's net worth. At the same time, societal wealth creation is the collective growth of the nation's economy. Wealth creation should be carried out ethically as governed by the principles of fairness, justice, and sustainability, where it should sustainably use the resources. “An ethical approach to wealth creation would consider the interests of multiple stakeholders, such as employees, customers, suppliers and society” (Reiners, 2021).

Importance of ethics in wealth creation:

Ethics play a crucial role in wealth creation because how wealth is created can have significant ethical implications. Pursuing profit can sometimes lead to unethical behaviour, such as exploitation of workers or damage to the environment. In addition, unethical behaviour can lead to legal and reputational risks, ultimately harming a business's success. Moreover, “ethical behaviour is essential for building trust and maintaining relationships with customers, employees, and other stakeholders” (*8 Key Leadership Skills Every Entrepreneur Should Have*, 2023). Businesses prioritising ethical behaviour are more likely to bring and retain customers and attract and retain talented employees. Ethical behaviour is necessary for the long-term sustainability of a business. A company prioritising short-term profits over ethical behaviour will likely face negative consequences in the long run, such as legal and reputational risks, decreased employee morale and productivity, and decreased customer loyalty. Ethics are essential in wealth creation because they guide individuals and businesses in making profitable, ethical, and sustainable decisions in the long run. By prioritising ethical behaviour,

businesses can build trust, maintain relationships, and ensure long-term success.

Role of Philosophy in Economics:

Philosophy plays a crucial role in economics by providing a framework for understanding the fundamental principles and concepts that underlie economic theory and practice. Philosophy and economics are two disciplines that are closely related and have a tremendous impact on each other. Philosophy provides the theoretical foundation for economics, while economics provides the practical application of philosophy. Some of how philosophy contributes to economics include:

Epistemology:

Philosophy helps to clarify the nature of knowledge and how it is acquired. This is particularly relevant in economics, where theories and models are used to make predictions and inform policy decisions. Epistemology is the essential branch of philosophy that deals with the nature of knowledge. In economics, epistemology concerns the methods used to acquire knowledge about economic phenomena. Philosophical debates about the nature of knowledge and the validity of different methods of inquiry have influenced the development of economic theory and methodology.

Ethics: Philosophy provides a foundation for ethical reasoning and helps identify economic decisions' moral implications. "Ethics is the branch of philosophy that deals with moral principles and values" (*Ethics / List of High Impact Articles / 238*, n.d.). Ethics concerns the moral implications of economic policies and practices in economics. Philosophical debates about the nature of justice, fairness, and the state's role in economic affairs have influenced economic policy and practice. Philosophy also plays a role in the ethical considerations of economics. For example, philosophers have explored the ethical implications of economic inequality, exploitation, and environmental degradation.

Metaphysics:

Philosophy helps clarify reality's nature and how it relates to economic phenomena. "Metaphysics is the branch of philosophy that deals with the nature of reality" (*School Of Metaphysics*, n.d.). In economics, metaphysics is concerned with the assumptions underlying economic theory. Philosophical debates about the nature of causation, determinism, and free will have influenced economic theory and

methodology. For example, philosophers have explored the nature of value and how it is determined in economic transactions.

Political philosophy:

Ethics helps understand the state's role in economic affairs. "Political philosophy deals with the nature of the state and its relationship to individuals and society" (*Political Philosophy - Citizendum*, n.d.). In economics, political philosophy concerns the state's role in economic affairs. Philosophy also influences the political philosophy of economics. "Political philosophy concerns the state's nature and its relationship to individuals and society" (*Mshari-Al-Zaydi*, n.d.). Philosophical debates about the nature of property rights, the legitimacy of taxation, and the role of Government in regulating markets have influenced economic policy and practice. For example, philosophers have explored the nature of property rights, the legitimacy of taxation, and the role of Government in regulating markets.

Ontology:

Ontology in philosophy deals with the nature of existence. In economics, ontology concerns the nature of economic entities and their relationships. Philosophical debates about the nature of money, the existence of markets, and the relationship between individuals and society have influenced economic theory and methodology.

Theoretical foundation:

Philosophy provides the theoretical foundation for economics. Economic theories are based on philosophical assumptions about the nature of reality, knowledge, and human behaviour. For example, the classical economic theory of Adam Smith is based on the philosophical assumption of individualism, which holds that individuals act in their self-interest.

Methodology:

Philosophy also influences the methodology of economics. Philosophical debates about the nature of knowledge and the validity of different methods of inquiry have influenced the development of economic theory and methodology. For example, the debate between positivism and hermeneutics in philosophy has influenced the development of quantitative and qualitative methods in economics. Philosophy helps to clarify the methods and assumptions that underlie economic analysis. For example, philosophers have explored the nature of causality, the role of models in economic analysis, and the use of mathematical and statistical methods in

economics. Philosophy plays a critical role in economics by providing a foundation for understanding the fundamental principles and concepts that underlie economic theory and practice.

Philosophy and economics are closely related and significantly impact each other. Philosophy provides the theoretical foundation for economics, influences the methodology of economics, plays a role in the ethical considerations of economics, influences the political philosophy of economics, and influences the ontology of economics. By exploring the ethical, metaphysical, political, and ontological dimensions of economic phenomena, philosophers can help to clarify and improve economic analysis and policy.

This paper focuses on the relationship between philosophy and economic success. It discusses how philosophical principles can shape economic success and the ethical implications of wealth creation. Ethical values can impact the economic success and the need to balance individual interests with the common good. Ethical obligations of businesses and individuals in creating wealth discuss social responsibility's importance and how it can impact economic success. Philosophical analysis of the ethical implications of capitalism explores the ethical implications of capitalism on wealth creation. It discusses the role of capitalism in creating wealth and the ethical concerns associated with it. The ethical implications of globalisation on wealth creation are also a concern of philosophy. It discusses the impact of globalisation on economic success and its ethical concerns. A philosophical examination of the ethical implications of entrepreneurship on wealth creation focuses on the ethical implications of entrepreneurship on wealth creation. It discusses the role of entrepreneurship in creating wealth and the ethical concerns associated with it. Analysis of the relationship between culture and economic success explores the relationship between culture and wealth creation. It discusses how cultural values impact economic success and the ethical implications of prioritising cultural interests over the common good. A philosophical examination of the ethical implications of education on economic success focuses on the role of education in wealth creation. It discusses the ethical implications of education on economic success, the need to balance education with ethical considerations, and the analysis of the ethical implications of wealth redistribution for economic success is a concern of

philosophy. It discusses the role of wealth redistribution in creating a more equitable society and the ethical concerns associated with it. Philosophical principles can shape economic success. It highlights the need to understand the ethical implications of wealth creation and how it can impact society. It explores the relationship between individualism and wealth creation. It discusses how individualistic values can impact economic success and the ethical implications of prioritising individual interests over the common good. It focuses on the ethical obligations of businesses and individuals in creating wealth. It discusses the importance of social responsibility and how it can impact economic success. It discusses the ethical implications of innovation on economic success and the need to balance innovation with ethical considerations.

The Relationship between Ethics and Wealth Creation:

The relationship between ethics and wealth creation is a complex and multifaceted one. On the one hand, creating wealth is a positive and ethical endeavour, as it can lead to economic growth, jobs, and improved living standards for individuals and communities. However, pursuing wealth can also lead to unethical behaviour, such as exploitation, corruption, and environmental degradation. Ethics play a crucial role in shaping how wealth is created and distributed. “Ethical principles such as fairness, justice, and responsibility” (Agrawal, 2023) can guide individuals and businesses in creating wealth to benefit society rather than just a select few. For example, businesses can prioritise social responsibility by investing in sustainable practices, supporting local communities, and treating their employees fairly. Ethical considerations can also influence the way wealth is distributed. Collecting immense wealth in the hands of a few individuals or corporations can lead to social and economic inequality, which can have negative consequences for society. Ethical principles such as distributive justice can guide policymakers in creating policies promoting a more equitable wealth distribution.

The relationship between ethics and wealth creation is complex and dynamic. While creating wealth can be a positive and ethical endeavour, it is crucial to consider the ethical implications of wealth creation and distribution. By prioritising ethical principles such as fairness, justice, and responsibility, individuals and businesses can create wealth that benefits society.

Concept of Wealth Creation:

Wealth creation is the process of generating economic value by creating or acquiring assets that can be used to generate income or increase in value over time. It involves the creation of goods and services that are in demand and accumulating assets that can be used to generate income or capital gains. Wealth creation can take many forms, including entrepreneurship, investment, and innovation. Entrepreneurs create wealth by identifying opportunities in the market and developing new products or services to meet those needs. “Investors create wealth by investing in assets that appreciate over time, such as stocks, real estate, or commodities” (. & Schultz, n.d.). Innovators create wealth by developing new technologies or processes that increase productivity and efficiency. Wealth creation is vital for economic growth and development. “It creates jobs, increases productivity, and generates more tax revenue that can be used to fund public services” (*Reasons Why Sports Betting Should Be Legalized*, n.d.). Moreover, wealth creation can increase living standards, as individuals and communities benefit from increased economic activity and improved access to goods and services. However, it is essential to note that wealth creation can have negative consequences, such as environmental degradation, social inequality, and exploitation. Therefore, it is crucial to consider the ethical implications of wealth creation and to guarantee that it is completed in a way that benefits society.

Ethical Principles that Underpin Wealth Creation:

It carries significant ethical dimensions that impact individuals, societies, and the broader world. Understanding and addressing these ethical dimensions is crucial for ensuring a just, sustainable, and equitable approach to wealth creation. The ethical considerations of wealth creation can be examined through the following dimensions:

Fairness and Justice: Wealth creation raises questions of fairness and justice, particularly concerning the distribution of resources and opportunities. It requires careful examination of whether wealth accumulation is the result of merit, hard work, and fair competition or if it perpetuates systems of privilege, exploitation, or unfair advantages. Ethical considerations call for ensuring that wealth-creation processes provide equal opportunities for all individuals, minimise

social inequalities, and promote inclusive economic systems.

Social Impact: Wealth creation has far-reaching social consequences. Ethical considerations involve evaluating how wealth creation affects the well-being of individuals and communities. It addresses economic inequality, poverty alleviation, social mobility, access to basic needs, healthcare, education, and housing. Ethical wealth creation strives to uplift marginalised communities, reduce social disparities, and enhance the overall welfare of society.

Environmental Sustainability: Wealth creation must be pursued in an environmentally sustainable manner. Ethical concerns arise from the impact of economic activities on natural resources, biodiversity, and climate change. Promoting sustainable wealth creation involves minimising environmental harm, adopting renewable and clean energy sources, and integrating principles of ecological responsibility into business practices. Ethical wealth creation recognises the interdependence between economic prosperity and environmental stewardship.

Corporate Responsibility: Wealth creation is often associated with businesses and corporations. Ethical considerations extend to the responsibilities of corporations towards stakeholders, including employees, customers, suppliers, and local communities. Ethical wealth creation promotes responsible business practices, transparency, fair wages, safe working conditions, and adherence to labour and human rights standards. It also entails addressing corporate social responsibility, philanthropy, and corporations' ethical use of power and influence.

Long-Term Perspective: Ethical wealth creation requires a long-term perspective rather than focusing solely on short-term gains. It involves considering the impact of wealth creation on future generations, ensuring intergenerational equity, and sustainable resource management. Ethical considerations encourage investments in education, innovation, and infrastructure that foster long-term economic growth and societal progress rather than promoting short-term speculative practices that may lead to instability or inequality.

Human Flourishing: Wealth creation should ultimately serve the goal of human flourishing. Ethical considerations encompass the well-being and fulfilment of individuals, recognising that wealth alone does not guarantee happiness or a meaningful life. Ethical wealth creation promotes

the development of individuals' capabilities, their access to education, healthcare, and cultural opportunities, and the fostering of social connections and a sense of community. It prioritises holistic measures of well-being beyond material wealth.

Several ethical principles underpin wealth creation. These principles are essential to ensure wealth creation benefits society and does not lead to negative consequences such as exploitation or environmental degradation. Some of the fundamental ethical principles that underpin wealth creation are:

Fairness and Justice: Wealth creation should be done fairly and justly, where everyone can participate and benefit equally. This means wealth creation should not be based on unfair advantages such as nepotism, corruption, or discrimination.

Responsibility: Wealth creation should be done responsibly, where individuals and organisations take responsibility for the impact of their actions on society and the environment (*Social-Responsibility-Theory*, n.d.). This means that wealth creation should not be pursued at the expense of others or the planet.

Sustainability: Wealth creation should be done sustainably, "where resources are used in a manner that does not deplete them for future generations" (B, 2000). This means that wealth creation should not be based on short-term gains that come at the expense of long-term.

Respect for Human Dignity: Wealth creation should be done in a manner that respects the dignity of all human beings. This means that wealth creation should not be based on exploitation or the violation of human rights.

Collaboration and Cooperation: Wealth creation should be done collaboratively and cooperatively, where individuals and organisations work together to create value for society. This means that wealth creation should not be pursued in isolation or at the expense of others.

Ethical principles such as fairness, responsibility, sustainability, respect for human dignity, and collaboration are essential to ensure that wealth creation is done in a way that benefits society and does not lead to negative consequences.

Ethical behaviour leads to financial success:

Ethical behaviour can lead to financial success in several ways. Here are some examples:

Building Trust and Reputation: Ethical behaviour can help build trust and reputation with customers, suppliers, and other stakeholders. A

company's reputation is built on ethical behaviour. Businesses that behave ethically are more likely to be trusted by customers, employees, and stakeholders, leading to increased loyalty and profitability. This can lead to increased loyalty, repeat business, and positive word-of-mouth referrals, ultimately leading to financial success.

Attracting and Retaining Talent: Ethical behaviour can also help attract and retain talented employees who value working for an organisation with integrity. Ethical principles create a positive work environment that promotes employee morale and engagement. "Employees who feel their company is committed to ethical behaviour are more likely to feel valued and motivated to work hard" (Bongiovanni, 2022). This can lead to increased productivity, innovation, and financial success.

Avoiding Legal and Reputational Risks: Ethical behaviour can help organisations avoid legal and reputational risks that can be costly to the bottom line. Ethical principles help businesses comply with legal requirements and avoid legal issues. Companies prioritising ethical behaviour are less likely to engage in illegal activities, such as fraud or bribery, which can result in legal consequences and damage their reputation. For example, avoiding unethical practices such as fraud, corruption, or environmental violations can help avoid fines, legal fees, and damage to the company's reputation.

Creating Long-Term Value: Ethical behaviour can also help organisations create long-term value by focusing on sustainable practices that benefit society and the environment. Ethical principles can help businesses build customer loyalty. "Customers are more likely to support companies that behave ethically and are less likely to support companies that engage in unethical behaviour" (Oppelt, 2020). This can increase customer loyalty, brand reputation, and financial success.

Improving Stakeholder Relationships: Ethical behaviour can help organisations build positive relationships with investors, regulators, and communities. Ethical principles promote social responsibility, which is becoming increasingly important to consumers. Companies prioritising ethical behaviour are more likely to engage in socially responsible practices, such as environmental sustainability and community involvement. This can lead to Ethical behaviour can lead to financial success by building trust and reputation, attracting and retaining talent, avoiding

legal and reputational risks, creating long-term value, and improving stakeholder relationships.

Consequences of unethical behaviour in business: Unethical behaviour in business can have severe consequences for companies, employees, customers, and other stakeholders. Here are some of the critical consequences of unethical behaviour in business:

Damage to Reputation: Unethical behaviour can damage a company's reputation. Negative publicity can lead to customer trust and credibility loss, resulting in declining sales and profitability.

Legal Consequences: Unethical behaviour can lead to legal consequences, such as fines, lawsuits, and criminal charges. These legal consequences can be costly and damaging to a company's reputation.

Loss of Customers: Unethical behaviour can lead to a loss of customers. Customers who feel that a company is engaging in unethical behaviour may choose to take their business elsewhere, which can result in a decline in sales and revenue.

Employee Turnover: Unethical behaviour can lead to employee turnover. Employees happy with a company's ethical practices may choose to leave, which can result in losing talent and expertise.

Decreased Morale: Unethical behaviour can decrease employee morale. Employees who feel that their company is engaging in unethical behaviour may become demotivated and disengaged, resulting in decreased productivity and performance.

Damage to Society: Unethical behaviour can harm society. Companies that engage in unethical practices, such as environmental pollution or labour exploitation, can harm the environment and contribute to social inequality.

Unethical behaviour in business can have severe consequences for companies, employees, customers, and society as a whole. By prioritising ethical behaviour, companies can create a sustainable and prosperous future while avoiding the negative consequences of unethical behaviour.

Companies that have succeeded by prioritising ethics:

"Several companies have succeeded by prioritising ethics" (Almström, n.d.). Here are a few notable examples:

Ben & Jerry's: Ben & Jerry's is an ice cream company firmly committed to social and environmental responsibility. The company has implemented many initiatives to reduce its environmental impact and promoted social justice

causes. Ben & Jerry's commitment to ethical practices has helped it to build a strong brand and has contributed to its success. The company has prioritised social responsibility since its founding in 1978. The company has implemented initiatives such as using fair trade ingredients, supporting environmental causes, and advocating for social justice issues. Despite being acquired by a giant corporation, the company has maintained its commitment to social responsibility and has seen continued financial success.

Infosys: Infosys is a worldwide leader in technology consulting and outsourcing services. The company is firmly committed to ethical principles and has implemented several initiatives to ensure its business practices are sustainable and socially responsible. Infosys has a code of conduct that outlines its commitment to ethical behaviour, and it has established a Corporate Sustainability and Responsibility (CSR) function to oversee its social and environmental initiatives. The company has implemented several programs to promote education, healthcare, and community development, and it has set ambitious sustainability goals to reduce its environmental impact. Infosys has also implemented several initiatives to promote diversity and inclusion, and it has been recognised as one of the world's most ethical companies by the Ethisphere Institute.

Patagonia: Patagonia is a large clothing company that has made sustainability and ethical practices a core part of its business model. The company has practically implemented several initiatives to reduce its environmental impact, such as using recycled materials and reducing water usage. Patagonia's commitment to ethical practices has helped it to build a more loyal customer base and has contributed to its success (*Top 10 Greenest Companies*, n.d.). The company has implemented initiatives such as using recycled materials in its products, reducing its carbon footprint, and supporting environmental causes. Despite these efforts, the company has seen substantial financial success, with revenues of over \$1 billion in 2019.

Mahindra: Mahindra is another Indian multinational conglomerate firmly committed to ethical principles. The company's code of conduct outlines its commitment to ethical behaviour, and it has established a Corporate Social Responsibility (CSR) function to oversee its social and environmental initiatives. Mahindra has implemented several programs to promote education, healthcare, and community

development, and it has set ambitious sustainability goals to reduce its environmental impact. To promote diversity and inclusion, they brought new initiatives, and it has also been recognised as one of the world's most ethical companies by the Ethisphere Institute.

The Body Shop: "The Body Shop is a cosmetics company" (Shop, n.d.) firmly committed to ethical practices. The company sources its ingredients from sustainable sources and is genuinely committed to reducing its environmental impact. The Body Shop's commitment to ethical practices has contributed to its success.

Tata: Tata is a renowned Indian multinational conglomerate in business for over 150 years. The company is firmly committed to ethical principles and has implemented several initiatives to ensure its business practices are sustainable and socially responsible. Tata has a code of conduct that outlines its commitment to ethical behaviour, and it has established a Corporate Sustainability and Responsibility (CSR) function to oversee its social and environmental initiatives. The company has also implemented several programs to promote education, healthcare, and community development, and it has set ambitious sustainability goals to reduce its environmental impact.

TOMS: TOMS is a shoe company that has a unique business model. "For each pair of shoes that the company sells, it donates them to a child in need" (Marca, n.d.). TOMS' commitment to social responsibility has helped it to build a strong brand and has contributed to its success.

The Co-operative Group: The Co-operative Group is a UK-based consumer co-operative that operates various businesses, including supermarkets, funeral homes, and insurance services. "The company is owned and democratically controlled by its members, who share in the profits" (University, n.d.) and have a say in the company's direction. The Co-operative Group has implemented initiatives such as fair-trade sourcing, environmental sustainability, and support for community causes. Despite facing financial challenges in recent years, the company has maintained its commitment to ethical values.

Warby Parker: Warby Parker is an eyewear company that has made social responsibility a core part of its business model. "The company has implemented initiatives such as donating glasses to someone in need for each pair sold" (Olson, 2017), using sustainable materials in its products, and

supporting education initiatives. Despite being relatively young, Warby Parker has seen financial success, with a valuation of over \$3 billion in 2020.

These companies have succeeded by prioritising ethics and incorporating ethical practices into their business models. By doing so, they have built strong brands and loyal customer bases and have contributed to a more sustainable and just world.

Philosophical approaches to economics:

There are several philosophical approaches to economics, each with its assumptions and implications for economic theory and practice. Here are some of the main philosophical approaches to economics:

Classical Liberalism: Classical liberalism is a philosophical approach to economics that emphasises individual freedom, limited government intervention in the economy, and the free market. This perspective depends on the idea that individuals are rational and self-interested and that pursuing self-interest leads to the most significant overall benefit for society.

Classical Economics: Classical economics, pioneered by economists like Adam Smith and David Ricardo, emphasises the role of free markets, competition, and the division of labour in generating wealth. The theory argues that individuals pursuing their self-interest in free markets lead to economic growth and prosperity. It underscores the importance of factors of production (land, labour, and capital) and the efficient allocation of resources to drive wealth creation.

Karl Marx's Marxism: Marxism is a philosophical approach to economics that emphasises the role of class struggle and the need for collective ownership of the means of production. This perspective depends on the view that capitalism is inherently exploitative and that workers should control the means of production.

Keynesianism: Keynesianism is a philosophical approach to economics that emphasises government intervention's role in stabilising economic fluctuations. "Keynesian economics, developed by John Maynard Keynes, emphasises the role of aggregate demand and the importance of government intervention in managing economic fluctuations" (Norman, n.d.). The Keynesian theory argues that government spending and fiscal policies can stimulate demand during economic downturns, increasing production, employment,

and wealth creation. It advocates for active government involvement in stabilising the economy and addressing unemployment and recessions. This perspective stands on the idea that markets are only sometimes efficient and that government intervention can help to stabilise the economy.

Austrian School: The Austrian School is a philosophical approach to economics that emphasises individualism, free markets, and the role of entrepreneurship. This perspective supports the idea that markets are inherently efficient and that government intervention in the economy is often counterproductive.

Neoclassical Economics: Neoclassical economics builds upon classical economics but incorporates mathematical models and emphasises the concept of utility maximisation. It posits that individuals make rational decisions based on their preferences and constraints, intending to maximise their well-being. The neoclassical theory focuses on factors such as supply and demand, prices, and market equilibrium as drivers of wealth creation.

Innovation and Entrepreneurship Theory: Innovation and entrepreneurship theories emphasise the role of innovation, technological advancements, and entrepreneurial activities in wealth creation. These theories argue that new ideas, inventions, and entrepreneurial endeavours drive economic growth and create new industries, products, and jobs. Scholars like Joseph Schumpeter have explored the concept of "creative destruction," whereby innovations and entrepreneurial activities disrupt existing industries and lead to wealth creation.

Human Capital Theory: Human capital theory, developed by economists like Gary Becker, focuses on education, skills, and knowledge as forms of capital that contribute to wealth creation. This theory argues that investments in human capital, such as education and training, enhance individuals' productivity and earning potential, leading to wealth accumulation and economic growth. The human capital theory emphasises the importance of education and lifelong learning as drivers of individual and societal wealth creation.

Institutionalism: Institutionalism is a philosophical approach to economics that emphasises the role of institutions, such as laws, norms, and social structures, in shaping economic behaviour. This perspective depends on the idea that economic behaviour is not solely determined

by individual rationality but is also influenced by social and institutional factors.

Feminist Economics: Feminist economics is a philosophical approach to economics that emphasises the role of gender in shaping economic behaviour and outcomes. This perspective supports the idea that economic analysis should consider how gender roles and norms shape economic behaviour and outcomes.

There are several philosophical approaches to economics, each with its assumptions and implications for economic theory and practice. These approaches include classical liberalism, Marxism, Keynesianism, the Austrian School, institutionalism, and feminist economics.

Examples of how philosophy has shaped economic systems:

Philosophy has played a significant role in shaping economic systems throughout history. Here are some examples:

Capitalism: The philosophy of individualism, which emphasises personal freedom and self-interest, has influenced the development of capitalism. The idea that every individual should be free to pursue their economic interests without interference from the state is a central tenet of capitalism.

Marxism: The philosophy of Marxism, “which emphasises the importance of collective ownership of the means of production” (*Real Socialism*, n.d.) and the elimination of class distinctions, has influenced the development of socialist and communist economic systems.

Utilitarianism: “The philosophy of Utilitarianism, which emphasises the greatest good for the most significant number of people” (*Theory of Justice: Jurisprudence*, n.d.), has influenced the development of welfare states and social safety nets. The view that the Government should provide for the basic needs of its citizens is a central tenet of Utilitarianism.

Libertarianism: The philosophy of libertarianism, which emphasises individual freedom and limited government intervention, has influenced the development of free market economic systems. The idea that the Government should have minimal economic involvement is a central tenet of libertarianism.

Environmentalism: The philosophy of environmentalism, which emphasises the importance of protecting the natural world, has influenced the development of sustainable economic systems. “The idea that economic

growth should not come at the cost of the environment is a central tenet of environmentalism” (*Trade Is Not the Answer to Global Poverty – ContentedLife*, 2005).

Philosophy has played a crucial role in shaping economic systems by providing the underlying principles and values that guide economic decision-making.

The Ethics of Capitalism:

“*Capitalism* is an economic system based on private ownership of the means of production and the creation of goods and services for profit” (O, n.d.). While capitalism has been praised for its ability to create wealth and promote innovation, it has also been criticised for its ethical implications. One of the main criticisms of capitalism is that it can lead to inequality and exploitation. In a capitalist system, those who own the means of production can accumulate wealth and power, while those who do not may struggle to make ends meet. This can lead to a widening gap between the rich and poor and create a system where the wealthy have more influence over political and social institutions. Another ethical concern with capitalism is the emphasis on profit over other values. In a capitalist system, businesses are driven by the need to make a profit, often at the expense of other considerations such as environmental sustainability, worker safety, and social responsibility. This can lead to companies prioritising short-term gains over long-term benefits for society.

However, defenders of capitalism argue that it is the most efficient and effective economic system and has brought millions of working people out of poverty. They also point out that capitalism can promote innovation and competition, leading to better consumer products and services. The ethics of capitalism are complex and multifaceted. While it has the potential to create wealth and promote innovation, it can also lead to inequality and exploitation. Therefore ethical implications of capitalism work to mitigate its adverse effects while promoting its positive aspects.

Ethical Principles that Underpin Capitalism:

Capitalism is an economical way of life-based on several ethical principles. These principles include:

Individualism: Capitalism is based on the idea that everyone should be free to follow their self-interest. This means that individuals are free to own property, start businesses, and make economic decisions without interference from the Government or other individuals.

Freedom: Capitalism is also based on the principle of freedom. This means that individuals can choose their careers, make economic decisions, and enter into voluntary contracts with others.

Competition: Capitalism is characterised by competition between businesses. This competition is based on the principle that each business should be free to compete to create the best products and services for consumers.

Private property: Capitalism is based on the principle of private property. This means that individuals and businesses have the right to own and control property, including land, buildings, and other assets.

Profit motive: Capitalism is driven by the profit motive. This means businesses are motivated to generate a profit, stay in business and grow.

Efficiency: Capitalism is based on the principle of efficiency. This means businesses are motivated to be efficient to maximise profits and minimise costs.

While these ethical principles are central to capitalism, they are not without controversy. Critics argue that capitalism can lead to inequality and exploitation and that it can prioritise profit over other values, such as social responsibility and environmental sustainability. However, defenders of capitalism argue that it is the most efficient and effective economic system.

Criticisms of Capitalism from an ethical perspective:

Capitalism has been criticised from an ethical perspective on several grounds. Some of the main criticisms are:

Inequality: One of the main criticisms of capitalism is that it can lead to significant income and wealth inequality. Critics argue that capitalism allows the rich to gather wealth and power at the expense of the poor, leading to a concentration of wealth in the hands of a few.

Exploitation: Another criticism of capitalism is that it leads to the exploitation of workers and consumers. Critics argue that businesses are motivated by profit and may exploit workers by paying low wages or subjecting them to poor working conditions. Similarly, businesses may exploit consumers by charging high prices or engaging in deceptive marketing practices.

Environmental degradation: Capitalism has also been criticised for its environmental impact. Critics argue that capitalism prioritises economic

growth over environmental sustainability, leading to environmental degradation and climate change.

Lack of social responsibility: Critics argue that capitalism prioritises profit over social responsibility. Businesses may prioritise profit over the well-being of their employees, customers, or the broader community.

Short-term thinking: Capitalism has been criticised for focusing on short-term gains rather than long-term sustainability. Businesses may prioritise short-term profits over long-term investments in research and development or environmental sustainability.

Critics of capitalism argue that these ethical concerns cannot be ignored and that a more ethical economic system is needed. Some propose alternative economic systems, such as socialism or a mixed economy, prioritising social responsibility and environmental sustainability over profit. Others argue that capitalism can be reformed to address these ethical concerns through policies such as progressive taxation, labour protections, and environmental regulations.

Conclusion:

In conclusion, the ethics of wealth creation is a complex and multifaceted topic that requires a deep understanding of philosophy and economics. Our beliefs, values, and principles shape how we approach wealth creation and economic success. Philosophical ideas such as Utilitarianism, deontology, and virtue ethics can help us navigate the ethical dilemmas in pursuing wealth. "Entrepreneurship is a challenging journey that requires hard work, dedication, and perseverance" (Naik Salgaonkar, 2023, p. 41). Ultimately, it is the choice of the individuals to decide what kind of economic success they want and how they want it. By incorporating ethical considerations into economic decisions, one can generate a just and equitable society that benefits everyone.

Ethical principles have become increasingly important in business and capitalism. The traditional view of business as a purely profit-driven enterprise has given way to a more nuanced understanding of the role of business in society. Ethical principles such as honesty, integrity, fairness, and responsibility are now essential to successful and sustainable business practices. Moreover, capitalism has come under scrutiny in recent years, with many questioning its ability to create a fair and just society. Incorporating ethical principles into capitalism can help address some of

these concerns and create a more equitable economic system.

Ultimately, the significance of ethical principles in business and capitalism lies in their ability to create a more just and sustainable society. The ethics of wealth creation is a topic of great importance in today's society. It is a subject shaped by philosophy and significantly impacts economic success. How we view wealth creation and the principles we follow in pursuing wealth, affect the lives of those around us.

One of the critical philosophical principles that shape the ethics of wealth creation is the idea of individualism. This principle holds that individuals have the right to pursue their self-interest, which is essential to economic success. The view is that when individuals are free to pursue their interests, they will create wealth and prosperity for themselves and society.

Another essential philosophical principle that shapes the ethics of wealth creation is the idea of Utilitarianism. This principle holds that the goal of

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economic activity should be to maximise society's overall happiness and well-being. This means that wealth creation should not be pursued at the expense of others and that the benefits of economic activity should be distributed fairly.

A third philosophical principle that shapes the ethics of wealth creation is the idea of social responsibility. This principle holds that businesses and individuals are responsible for contributing to society's well-being. This means that wealth creation should be pursued sustainably to benefit society.

In conclusion, the ethics of wealth creation is a complex and multifaceted topic shaped by various philosophical principles, how views of wealth creation and the principles followed in pursuing wealth can significantly impact lives and those around. Understanding and incorporating these ethical principles into our economic decisions can create a more just and sustainable society.

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