

# A Primer on Critical Thinking and Business Ethics

*Critical Thinking in Unpredictable Corporate Business Contexts*

**VOLUME 3**



**Oswald A. J. Mascarenhas,  
Munish Thakur & Payal Kumar**

# **A Primer on Critical Thinking and Business Ethics**

The post-pandemic world presents leaders with unprecedented levels of dynamism and uncertainty, leaving top management teams no choice but to engage in critical thinking – higher order analyses in which assumptions are questioned and disconfirmation is no less important than confirmation. With critical thinking coming to the forefront of leadership development, we as educators need to reflect on our present MBA curriculum in terms of both content and delivery. These three monographs are a must-read for anyone interested in developing graduate-level critical thinking skills and teaching future corporate leaders how to take a more nuanced perspective on the paradigm-shifting challenges they are likely to face when transitioning into their managerial career.

—**Peter Bamberger, Prof Simon I. Domberger, Chair in Organization and Management, Collier School of Management, Tel Aviv University, Israel, Vice President, Academy of Management**

Organizational leaders continually tell us that what they need most are employees that know how to think and learn. Such skills are necessary for identifying problems, collaborating on solutions, and driving organizational change. Including these monographs on critical thinking in the MBA curriculum will go a long way to providing this essential need for the market.

—**Dr Kevin Rockmann, Professor of Management, George Mason University, USA, Editor, Academy of Management Discoveries**

As someone who teaches business leadership and human values and courses introducing and providing frameworks for analyzing healthcare markets, critical thinking is essential for me and my students. These authors clearly motivate the importance of critical thinking and present techniques to encourage students' development. I could envision these books enhancing my preparation of students, who will become business leaders so they sharpen interpretations and decisions regarding the production and delivery of healthcare services, to create value for those with a financial stake in their organizations' successes and for stakeholders including suppliers, patients, employees, and the community in which healthcare organizations operate.

—**Kevin D. Frick, Professor, Johns Hopkins Carey Business School, USA**

# **A Primer on Critical Thinking and Business Ethics: Critical Thinking in Unpredictable Corporate Business Contexts (Volume 3)**

BY

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INVESTOR IN PEOPLE

*To all teachers who believe in critical thinking as the ultimate differentiator, and to all students who have a penchant for analyzing, assessing, and improving in all that they do.*

*This volume is lovingly dedicated to the late Father Edward McGrath SJ who gave his best to XLRI for over 45 years, and who inspired all three authors during the time they served at XLRI.*

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# Foreword

Business schools as *the* major global institution for educating future leaders in business are under fire for at least two reasons. On the one hand, they are accused of not educating their students in a way that prepares them for core management tasks awaiting them in later organizational life. “What” and “how” skills and competences taught in major areas such as accounting, finance, logistics, and marketing are inadequate to help graduates grapple with the problems they face in practice. On the other hand, an arguably more fundamental accusation is the existence of a massive blind spot: the education of leaders fails in going beyond optimizing organizational performance according to traditional items of the balance sheet and take into account the role of organizations as corporate citizens with a co-responsibility to make the world a better place.

A common thread runs through major organizational scandals of the past decade, e.g., German payment processing company Wirecard revealing in 2020 what they argued was an “accounting error” that grossly inflated the balance sheet by about \$2.3 billion, German car maker Volkswagen being accused in 2015 of implementing software that could cheat emission tests (“dieselgate”), and international soccer association FIFA being the target of the United States Department of Justice’s accusation of money laundering conspiracy, racketeering, and wire fraud in 2015: not only did their upper echelon have insufficient technical skills and competencies to successfully manage their respective organizations, but also made conscious decisions that led their organizations down the dark route of shady business. In a simplistic version of events, finger-pointing, identifying scapegoats, and highlighting personal deficiencies such as greed or lack of a moral compass to navigate the turbulent and dynamic waters of doing business in today’s volatile, uncertain, complex, and ambiguous world serves as explanation. However, a more refined effort would point toward the fundamental problem outlined above: the lack of comprehensive education that many future leaders get in business schools and, more broadly, in universities and other higher education institutions around the globe that goes beyond a traditional “facts and figures approach.”

A major part of a more comprehensive education involves skills and competencies that revolve around reflecting the status quo, questioning assumptions taken for granted, making choices in ethically charged situations, and thinking out of the box. In particular, this comprises critical thinking and aspects of business ethics addressing various facets of doing business. Typical examples at different levels of social complexity include personal and often contested choices

in one's career, such as foreign assignments heavily affecting stakeholders in one's life, interpersonal leadership issues such as in-group versus out-group dynamics that emerge when working in face-to-face groups, organizations externalizing costs by (ab)using natural resources and polluting the environment, grand-scale organizational layoffs affecting whole regions (if not countries), equality and poverty within and between countries, and, arguably, the multiple effects of doing business on the globe and in interstellar space.

The contributions in this book tackle these issues head on. They put critical thinking – in a nutshell “careful goal-directed thinking [whereby...] conceptions of it can vary according to its presumed scope, its presumed goal, one's criteria and threshold for being careful, and the thinking component on which one focuses” (Hitchcock, 2020) – front and center as they explore both the foundation and the application of ways of reflecting on what we find in (and how we construct) reality, what this means, and how we act accordingly. Of course, critical thinking as such is not new. Some trace it back at least to titans of Greek philosophy such as Plato or Socrates, as well as different schools of Greek skepticism. Others point to the work of John Dewey who has established critical thinking as a potential educational goal. What makes this volume particularly interesting is its comprehensive approach, both in the sense of “horizontally” encompassing a broad range of topics and “vertically” containing phenomena at different levels of social complexity, including the spiritual as well as temporal dimensions of organizing in turbulent and unpredictable contexts (Hitchcock, 2020; Vogt, 2022).

Against this backdrop, the volume is timely and laudable. In it, the authors approach critical thinking like sustainable ethics as an ethics of limits, an ethics of conservation. They examine topical subjects such as ethics and critical thinking in relation to poverty, outer space advances, cosmic sustainability, ecofeminism, and animal welfare. Chapters are devoted to critical thinking applied to empower human dignity violated by global poverty, to finding an alternative management system based on human dignity and equality, self-respect and self-esteem, dialog and sharing, love rather than fear, truth rather than compromise, transparency rather than secrecy, and executive duty rather than privilege. At the end of this volume, the authors examine the normative role of critical thinking normatively, positing that it should aid social progress and social well-being for all humanity, especially the poor and the marginalized.

I hope the readers will not only better understand critical thinking in its various facets but also include it organically in their own *praxis* of personal and professional lives. It is a must-read for faculty around the world. My compliments to the authors Oswald Mascarenhas, Munish Thakur, and Payal Kumar, who are all senior academics and authors in their own right.

–Dr Wolfgang Mayrhofer

**Dr Wolfgang Mayrhofer** is a Full Professor and Head, Interdisciplinary Institute of Management and Organisational Behavior, WU Vienna. He is a prolific author-editor, including *Developing Leadership: Questions Business Schools Don't Ask* (SAGE, 2015).

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# Preface

By now, it should be evident to readers, students, and scholars of critical thinking that by nature, domain, scope, and relevance, critical thinking is vast and ever expanding. There are no fixed themes or disciplines, no bounds or boundaries, and no limits or barriers for its probing research and development. There are no deadlines, closures, or foreclosures to its conceptualizations, theorizations, and to its imaginative exploration and investigation systems and paradigms. There are not even fixed inputs, processes, or outcomes to its growth and development. Any thought, tradition, paradigm, theory, hypothesis, or research question, any development or discipline, course or curriculum, program or project can be open to a systematic and intellectually rigorous investigation, based on various models, methods, and methodologies of questioning, probing, doubting, and restating. We have discussed most of these methods and models with newly designed Critical Thinking Exercises in Volume 1 of this series on critical thinking.

## **Critical Thinking as a Universal Quest for an Egalitarian Society**

Real critical thinking has no frozen parochial or territorial rules, procedures, or agendas. As a practical discipline, however, we have elected to explore, in these three volumes, major critical themes and principles that strive toward a libertarian or egalitarian society *sans* basic (social) inequalities, gender inequities, and socially structured injustices (e.g., of land, geography, nation, race, color, caste, creed, and ethnicity). Real and serious critical thinking supports a global society free of inequalities in access to basic opportunities (minimally composed of basic health insurance, clean drinking water, basic foods and nutrition, basic medicine, hygiene, sanitization, housing, and basic family privacy) and basic clean air and sustenance (energy, water, fire, and greening) systems. Serious critical thinking also strives to fight basic income inequalities that currently seem to polarize and divide us into rich and poor, privileged and marginalized. Some of these divisions and distinctions are currently being questioned and leveled off in developed countries by equitable access to health care, job skills and markets, productive and meaningful jobs, and opportunities for self-training and access to innovative and creative industries. We contend that this region-wide social progress should be the fruit of applied critical thinking.

## **Real Critical Thinking Has No Place for Poverty in This Universe**

It follows, that in an ideal world, where critical thinking rigorously conceived, applied, and lived, there is no place or space for poverty, squalor, and destitution, local or global, nor for unnecessary pain, stress, or suffering. In the real world of honest critical thinking, there is opportunity and challenge for the global democracy of doing, becoming, and being, potentially progressing toward equalizing globalization, global citizenship, global health research centers and hospitals, global creative and innovative universities, which design and achieve planetary social progress and well-being, global happiness, and global harmony – these include all peoples with nobody left behind. The goal of rigorous critical thinking is just that, nothing more, nothing less.

Thus, critical thinking – rigorously applied – upholds basic unity and equality of all beings, human and nonhuman, sentient, and nonsentient. While the classic orthodox philosophies of Plato, Aristotle, Aquinas, and Kant, based on their then understanding of human versus nonhumans, clearly argued for a substantive distinction between humans and nonhumans, the former being considered rational, reasoning, reflexively conscious, moral, and ethical persons with rights and duties, and immortal destinies, the latter (particularly the nonhuman sentient) being presumed to be nonthinking and nonrational, with low levels of consciousness with no purposive choices and hence, endowed with no rights and duties, privileges, entitlements, and destinies. Today with emerging “warmer” metaphysics and epistemologies (e.g., Latour, 2004) fortified with theories of open systems, complexity, chaos, intrinsicity, emergence, cosmic connectedness, and interdependence, we see convergence and emergence, unity and compatibility, differentiation and uniqueness, continuity and evolutionary progression linking all living and nonliving, human and nonhuman systems into cosmic unity and community, cosmic harmony, solidarity, and destiny.

## **Real Critical Thinking Thrives in Warmer Metaphysics**

Hence, recent explorations into cosmic “warmer” metaphysics and environmental ethics are resulting in expanded horizons of animal ethics, animal rights, and entitlements that are gradually including nonhuman entities such as sentient animals into moral communities of rights and duties (Goodpaster, 1983) and shedding instrumentalities of human dominance and nonhuman subservience. This world, especially of ecofeminist and ecocentric orientations, rejects and resists human brutality toward sentient animals being factory-farmed in preparation for human consumption. Critical thinking is sympathetic toward the billions of cattle and poultry annually prepared and killed in the United States for table food. Ecofeminism even affirms that vegetarianism (if not veganism) may be soon a moral necessity (Clarke & Knights, 2021, p. 3) (see Chapters 3 and 4 in this volume).

Real critical thinking has no totalizing rules or procedures. Under any problem or crisis that we choose to consider, we are invited to critically examine.

- (1) Our thinking, theories, beliefs, and paradigms possibly causing the crisis.
- (2) Our assumptions, presumptions, suppositions, and presuppositions under (1).<sup>1</sup>
- (3) Our biases, prejudices, jaded mindsets, and stereotypes under (1) and (2).
- (4) Our self-serving benchmarks, reference points, and standards under (1) to (3).
- (5) Our data, samples, information, evidence, and inductive and deductive conclusions under (1) to (4).
- (6) Our derived beliefs, behaviors, and lifestyles, their impact and social consequences, given (1) to (5).
- (7) Our reasoning, rationalizations, justifications, policies, and procedures argued under (1) to (6).
- (8) Our life quality transformative, ethical and moral values, principles, and criteria underpinning (1) to (7).

Steps 1 and 4 are normal “inputs” to any critical thinking; Steps 2 and 3 are also “processes” of critical thinking; Steps 5–7 are “processed inputs,” and Steps 7 and 8 are “processed outcomes” of critical thinking. Most critical thinking projects and journeys involve almost all steps from 1 to 8. Alternatively, one could start from any current crisis involving inequalities and inequities (such as poverty, marginalization, de-animalization, or pollution) and walk through Steps 1–8 to search for their starting theory, assumptions, prejudices reference points, evidence, and rationalizations – mostly on a self-corrective rather than self-defensive stance and destination. For instance, even to this day, there is no agreed-upon reference point for crises like COVID-19 or global warming, and hence, their causes or resolutions are either unknown or unknowable, and thus, their problems undefinable or nowhere close to effective resolution. Given a credible reference point, further search for data, samples, and evidence would be more objective and focused under Step 5, and beliefs and justifications more promising under Steps 6 and 7.

## **Critical Thinking Upholds Cosmic Sustainability and Planet Inhabitability**

Whatever may be the starting crisis as the input to critical thinking Steps 1–8, we must, under step 8 above, explore principles and principled objectives and innovative, creative theories and innovations, striving for local, bioregional, global, and cosmic sustainability and future planet inhabitability, currently threatened by global pollution, global warming, global climate change, increasing ocean acidity, deforestation, and the like. Critical thinking mandates that all of us must creatively innovate and enable global restoration, global greening and healing, global reforestation, global rejuvenation and global regeneration of planet earth and life systems (see Chapter 2), that we have thus far overused, over-extracted, and

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<sup>1</sup>For more on assumptions, presumptions, suppositions, and presuppositions, see the appendix.

over-mined for our infrastructure development and industrialization. Even if our future outer space advances (see Chapter 5) one day enable us to colonize Mars or other planets that support human life, we cannot desecrate Mother Nature by depleting its resources and abandoning it totally used and abused and unusable for post Martian and posthuman populations on this planet.

Thus far, our basic assumptions in seeking progress and industrialization have been *anthropocentric* – an unexamined assumption that man is the center and central purpose of the universe which, presumptively we have freely used to fulfill our equally unexamined presuppositions that the universe and its corporate capital markets can provide for our limitless production, distribution, and consumption (LPDC) goals and objectives even though they often stretch us beyond our resources, assets, and borrowing capacities.

### **Critical Thinking Seeks to Unite a Fragmented Humanity**

These LPDC goals and objectives have fragmented and divided humankind (Stiglitz, 2015) into extremely rich versus marginalized versus desperately poor, or, those graciously included versus those arbitrarily excluded from mainline economic benefits and opportunities, thus generating basic social and income inequalities (see Chapter 1). Further, free enterprise corporate capital market assumptions affirm, justify, or rationalize that we are basically egocentric (i.e., selfish and self-centered consumers with limitless absorptive capacities for production, distribution, and consumption that corporate free capitalist markets seem to provide).

On the other hand, critical thinking always reminds us that mankind and Mother Nature can transform us into good, generous, caring, and sharing, cooperative communities; that Nature never divides but unites us despite the diversity in our lands, languages, values, caste, creeds, and cultures; that Mother Nature is an open system with basic equality of access to all, even though some of us have hurriedly expropriated and expanded our share of the pie to the detriment of others who are less aggressive, less trained, and less skilled late arrivals, for no fault of theirs.

In this connection, Mother Nature abhors “isms” derived from false dualistic dichotomies and their presumed theories, assumptions, and presumptions, such as:

- *Patriarchism* (male vs females; males are superior to females in intelligence and technology).
- *Speciesism* (human vs nonhuman species; human species is superior to all other species).
- *Naturism* (Nature vs non-Nature; all Nature is provided for human use, ownership, and development via use and development of land, earth, fire, air, water, energy, forests, oil, and the like).
- *Anthropocentrism* (human vs nonhuman; everything in the universe is for humankind), and so on.

Most of these presumptive dichotomies and related isms are man-made social constructions and so are the theories (or “isms”) grounding them or derived from them. We discuss them in Chapter 3 in this volume.

## **Mother Nature Does Not Create Categories or Compartments**

Mother Nature resists categories or compartments; almost every category is man-made and reductionistic, and so are the categories of nations, boundaries, nationalities, royalties, aristocracies, nobilities, multimillionaires, multibillionaires, and trillionaires. We have created other self-serving categories such as citizenship, passport and visa statuses, and other entry or exit barriers; we have created or negotiated national or international and sociocultural boundaries such as East versus West, Orient versus Occident, European versus non-European, Levant versus non-Levant countries, Caucasian versus non-Caucasian, and other geo-social groups based on caste, color, creed, religious and political affiliations, ethnicity, and geography. Mother Nature does not support or provide for such categories and classifications but basically provides for a borderless world (Ohmae, 1990) even though we currently have over 200 competitive nation-states and territories with political sovereignties, rival hegemonies, and economic superpowers recognized by the United Nations.

In this regard, the European Union (EU) that monetarily united over 27 Mediterranean counties a few years back was a great promising concept and movement that started off with export–import trade zones, evolving into common markets, economic union, technological unions, and currently political and monetary unions. But the Brexit movement almost stalled that progress. Instead, we are currently vexed with internal domestic and external international immigration, political and caste-based and religious ideology-driven “asylum” versus economic immigrants, and so on. We are getting compartmentalized, Balkanized, and regionalized based on language, culture, and religious divisions and bigotry.

## **Mother Nature Provides for Unity, Harmony, Solidarity, and Community**

Mother Nature, on the other hand, provides for unity, equality, harmony, solidarity, and community of all peoples and cultures. Critical thinking must unravel the intersection points and sources between humans and at least all sentients for unity and unification than bifurcation and division and bring all mankind and sentients together as one nation, one community, sharing one history, one constitution, one law and order, one journey, and one destiny.

Presumably, outside theology (which invokes God and the creation hypothesis), Mother Nature is our only source of unity and dignity based on complexity, chaos, intrinsicity, and uniqueness, immanence and individuality, sociality and transcendence, which we all share in different degrees and intensities. Genetically, we are connected and interdependent with all reality, human and nonhuman. But by divergence, emergence, differentiation, and evolutionary progression, natural

selection and development, mankind has evolved with diversity of thought, culture, beliefs, creed, and currently with differing languages, literature, arts, artistic expressions (e.g., prose, poetry, drama, rhetoric, painting, sculpture, music and dance). Often, we feel we are imperialized by different ideologies, Neo-Nazism orientations and persuasions, and totalitarian governance structures.

Yet despite this bewildering diversity, biodiversity, heterogeneity, and hierarchies, we are potentially one united harmonious system with tremendous potential for dialog, discourse, discussion and negotiation, bargaining, cooperation, collaboration, harmony, solidarity, and planetary global research and development. Nevertheless, forgetting our common uniting heritage, we choose at times to be so divisive, defensive, nuclear proliferative, competitive, and destructive so as to be self-annihilating and cosmically unsustainable. We can make or mar our destiny.

### **Critical Thinking Seeks to Reclaim Cosmic Unity and Harmony**

We cannot leave these bipolar capacities to mere politics or geopolitics (of the United States, China, Russia, Japan, North Korea, and others in the outer space research race), lawyers and generals, chance and contingency, luck or serendipity. We need solid and robust principles of critical thinking to reclaim our basic identity and unity and convert our social and psychological vulnerabilities into institutional and constitutional strengths. Far beyond our strategies of being just *non-maleficant* (do no harm unto others), we should be *preventive* (prevent harm to all), *protective* (protect all people from harm), *distributive* (preventive and protective justice distributively available to all), and even *beneficent* (do good to all with nobody excluded). Such progressively enlightened principles and strategies can reverse our destinies and generate life-giving quality values of cosmic sustainability, cosmic harmony, and peace.

Currently, NASA and several outer space industry multibillionaire supporters and entrepreneurs (e.g., Elon Musk – SpaceX, Jeff Bezos – Blue Origin, Richard Branson – Virgin Galactic, Mark Zuckerberg – Meta, and others) are actively engaged in outer space research that interestingly reports innovative advances such as outer space debris-mining for precious metals, outer space tourism, outer space medicine labs, “terraforming” Mars and the moon (i.e., transforming outer spaces to suit current human living requirements or those of future terrestrial colonizers), and enhancing extraterrestrial human long-term survivability; all these advances, however, unearth serious ethical concerns (e.g., elitist choice for Mars–Moon colonizers, depletion of planetary energy resources for rendering energy-intensive outer space colonization economically viable, safe, and profitable, and consequent terrestrial, postcolonized terrestrial sustainability jeopardized); these ethical concerns need to be addressed (see Chapter 5).

Further, the current understanding of outer space research and explorations is highly *anthropocentric* (i.e., outer space planetary and extraplanetary resources are meant solely for terrestrial man’s use and experimentation). Critical thinking believes that Nature is for all terrestrial and nonterrestrial entities, which outer

space research forgets or ignores. While such research certainly offers great hopes of newer living spaces and resources for mankind already strapped by depleting terrestrial habitable spaces, yet we believe it may be divisive and geo-polarizing in the long run, i.e., capital-intensive “elitist” unregulated outer space research may benefit the chosen very few to colonize outer space at the expense of deploying massive terrestrial energy resources to realize outer space human colonization.

## **Art of Critical Thinking, Social Well-Being, Spiritual Capital, and Human Mindfulness**

In the closing chapter of this volume, we consider critical thinking normatively – what it should be, ideally and holistically. Critical thinking should ultimately understand and further social progress and social well-being for all humanity, and the great wealth of corporate and free market capitalism should – as spiritual capital – benefit all, especially the poor and the marginalized. In order to realize the first two objectives, critical thinking should be repositioned as the art of esthetic reasoning and esthetic rationality such that it is best realized within the framework of social mindfulness.

## **On Assumptions, Presumptions, Suppositions, and Presuppositions**

Critical thinking, as we have understood from the three volumes in this series, is critical analysis of human language and its linguistics and narratives and arguments, which freely or spontaneously use assumptions, presumptions, suppositions, and presuppositions. These in turn are composed of signs, symbols that bear meanings, messages, and information, and motivation and persuasion via argumentation. All these aspects find elaboration in an appendix at the end of this volume.

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The second author, Prof Munish Thakur's academic background includes management, strategy, human behavior, entrepreneurship, research, data, and philosophy. He has an MBA from the University of Indore and is a Fellow of the Indian Institute of Management, Calcutta. He teaches strategy, entrepreneurship, and research methods at XLRI – Xavier School of Management, Jamshedpur, Jharkhand. He is extremely grateful to XLRI for giving him the opportunity to experiment and try new things. His education has been significantly influenced by Nature, mistakes, and failures in life, as well as through exposure to great professors and institutions. He is also grateful to all those who have directly or indirectly influenced his thought process through criticism or support, love or resistance. He would like to thank Father Oswald Mascarenhas for giving him an opportunity to coauthor this volume. Although he says his contribution to the book is limited to gathering reading material and having in-depth discussions with

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The third author, Dr Payal Kumar, is a prolific, prize-winning author who has published 14 books with Palgrave Macmillan, Springer, and Emerald Publishing and several journal papers. Her research interests include diversity and inclusion, leadership and followership, and also mentoring. She would like to thank Nick Wallwork of Emerald Publishers for adeptly navigating these three volumes to the publication stage.

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## Chapter 1

# Critical Thinking to Restore Human Dignity Compromised by Global Poverty

### Executive Summary

Any credible agenda that seeks to eradicate global poverty must seek to correct the structural injustices and inequities that cause and perpetuate endemic poverty. Such an agenda must aim not merely to aid the poor with grants, welfare, and subsidies (that indirectly perpetuate poverty) but seek to enhance self-sufficiency and productive skills of the poor by ensuring them comparable access to opportunities of the market economies to participate, on more equitable terms, in the dynamic process of overall economic growth. In this context, we apply critical thinking to identify and recognize the structured injustices of the market system, which not only cause poverty but also compromise human dignity via social inequalities and inequities arguably caused by the free market and corporate capital systems of the world. Global poverty that affects more than a quarter of the human population is a pernicious self-serving system connected to the injustices of the business and political systems of the world. The persistent nature of poverty is in direct proportion to our inability to eradicate it as a whole in the cosmic system. Eradication of global desperate poverty and its unjust structural causes can be achieved, we submit, by tracing the roots of global poverty to corporate and free enterprise capital systems and their unexamined structures of social injustice and social inequalities.

### Introduction

Recent advances in the physical, social, biological, neurological, and anthropological sciences have not only spawned radical technological and market breakthroughs but have, more importantly, unearthed tremendous human potential for design, creativity, and innovation, for invention, discovery, venture, and entrepreneurship, for capital accumulation and wealth creation, for individual

self-actualization and collective common good. We are experiencing a growing consciousness of the increasing influence that human beings have over Nature and over the future development of the human race. This productive and developmental power can be unleashed to relieve the world of deep-seated destructive influences that cause inequitable structures of inequality and injustice, especially affecting billions of poor and marginalized people and condemning them to desperate forms of poverty. That is, we can harness our creative powers to do good, to preserve and respect human dignity, to bring about justice, and to promote peace and human solidarity, rather than use the same power to do evil and generate deeper inequalities, destroy human worth, generate unjust structures, and provoke war and terrorism, global destruction, and disintegration. We can make or mar our destiny.

To his list of critical thinking dispositions, Ennis (1996, 2011) added one more group, to care about the dignity and worth of every person, which he described as a “correlative” (1996) disposition, without which critical thinking would be less valuable and perhaps even harmful. An educational program that aimed at developing critical thinking but not the correlative disposition to care about the dignity and worth of every person, he asserted, “would be deficient and perhaps dangerous” (Ennis, 1996, p. 172).

### ***Poverty and Income Inequality***

Several causes that perpetuate desperate global poverty are well-known. Dictatorial or corrupt governments and corporate tycoons in several countries are known for funneling wealth into private coffers to the detriment of their bottom-of-the-pyramid citizens. The wealthy in such regimes often dodge taxes, thus refusing to contribute to national growth and development. This is where governments and many large corporations seem to be corrupt and where we find the largest and most intractable pockets of desperate poverty (Andreasen, 1975, 1982; Collier, 2008; Sachs, 2006). Lamentably, we cannot dismiss these countries as exceptional or irrelevant.

Nevertheless, over the past 20–30 years, the living standards of tens of millions of individuals around the world have arguably improved dramatically, which is noteworthy and encouraging. In spite of this, however, stubborn levels of poverty remain among the bottom fourth or fifth of the world’s population. Millions of people still live on an average of US \$1.25 or less per day. By any standard, individuals who are living on this level of income (or slightly more or less than this amount) are desperately poor, yet they represent one of the largest untapped market opportunities from an entrepreneurial perspective (Prahalad, 2009). Ventures have the ability to not only reach significant numbers of new consumers among these desperately poor but also help these individuals in ways that governmental aid has failed.

The Organization for Economic Co-operation and Development (OECD) notes that despite development successes over the past few decades, inequality is increasing in all countries, and millions of people still live in absolute poverty,

50% of them being in a fragile state (OECD, 2020). When the United Nations declared the Universal Declaration of Human Rights (UDHR) in 1948, many saw it not only a permanent stop to genocide but also to structures that perpetuate poverty. Global endemic poverty (in terms of subsistent living conditions at least) is a violation of the UDHR. Structured endemic poverty and structured injustice are the real weapons of mass destruction in the 21st century. The UDHR is truly universal because it applies to every human being. Yet global poverty has continued unabated since 1948, and even more since 1993.<sup>1</sup>

Despite enormous research, debate, and dialogue-cum-remediation strategies, the situation of income inequality continues to worsen in developed and developing countries, and the gap between the rich and the poor is widening, as are its consequences – disease, poverty, fraud, and crime. In fact, income inequality is reduced to a static fact, concept, or theory, which is so entrenched and embedded in our national and global cultures that we have grown insensitive to it, almost taking it for granted as a necessary condition for growth and prosperity.

The solution to this radical inequality is not revolution (past revolutions have tended to lead to more brutality, suffering, and poverty) but *reform*. For instance, Pogge (2004) argues that a global resources dividend (GRD) of just 1% of aggregate global income paid to the poor in compensation for exploitation of their natural environment would raise six times the monies given in development assistance to poor nations, although it would still be less than what the United States spends each year on defense.

This argument was seemingly echoed by Ignacy Sachs, a world expert on poverty, in 2004. The world economy does not produce poverty; the people in it inevitably do so. The current situation of radical inequality is the cumulative result of centuries in which the more affluent societies and groups have used their privileged advantages of capital and knowledge accumulation to expand these advantages even further. This has increased the gulf between the rich and the poor, and the poor are increasingly incapacitated to resist unjust structures or movements that perpetuate and aggravate this gulf (Pogge, 2004). If GRD should ultimately benefit the intended recipient, it cannot be routed through dysfunctional governments who have hitherto spent it on weapons or used it to augment personal accounts (Collier, 2008; Sachs, 2006). For the present at least, it must be routed through proven nongovernmental organizations (NGOs).

### ***The “Nation State” Theory of Poverty***

The presupposition that social justice can be carried out only by government-to-government interventions is not tenable on historical grounds (Scott et al., 2011). As long as discrimination based on color, age, gender, religion, and nationality continues, any focus on income adjustment to bring about a more equitable

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<sup>1</sup>Incidentally, the number of billionaires or the superrich is increasing in the world, including (and especially) in India. When wealth maximization and accumulation begin to concentrate in the hands of a very few, it can augment abject poverty around the world.

distribution of wealth and opportunity is doomed to fail or could just be a quick-fix symptomatic solution. Further, if “the basic structure” to bring about economic justice is presumed to be the competent well-resourced “nation state” (Rawls, 1999, pp. 4–10) holding coercive power over the citizens in the form of laws, taxes, and punishments (Cohen, 2004), then the project to eradicate desperate poverty globally is bound to fail.

Another impoverished premise of the “nation state” theory is that a formal economy that is monetized, fully monitored, and one which acts in conjunction with the nation state can enforce social justice (Casal, 2004; Okin, 1991). Ironically, the possibility and willingness of the corporate sector in colluding with the government in falsely equalizing incomes is often ignored or taken for granted (Cohen, 2004; Miller, 1999).

Another source of concern is the way the nation state theory describes the “needs or necessities” of the poor in terms of “primary goods” that enable them to realize their full human potential. Often, such necessities are premised more on survival than on self-development for self-sufficiency. In practice, defining necessities (even for survival) is difficult because such judgments are mired in history and culture (Douglas & Isherwood, 1996; Scott et al., 2011). Going beyond biological necessities, the primary goods package must minimally include the development of what Amartya Sen (2000) called “capabilities” of the poor for self-sustenance and self-esteem. C. K. Prahalad (2009) proved that it was the most effective way to activate and include those at the bottom of the pyramid in global economic growth and prosperity, making them, paradoxically, profitable.

### ***Structure of This Chapter***

Given the focus of this chapter, four issues are involved: (a) critical thinking (b) to recognize human dignity (c) compromised by (d) global poverty. We propose that solutions for global poverty must be found within global or cosmic sustainability, and similarly, solutions to human dignity and human personhood, both compromised by global poverty, must be sought within cosmic and global sustainability. These solutions are holistic, robust, and most comprehensive, albeit long-ranging and indefinitely futuristic. Critical thinking, however, provides for and believes in such solutions. Critical thinking also contends that poverty, local or global, that has been with us for over three millennia, is ultimately manmade. Hitherto, we have tried piecemeal solutions to eradicate global poverty, which have failed. We must now seek to alleviate, and even eradicate, poverty in voluntary partnership with Mother Nature. That is, in the process of restoring and regenerating Nature, we might achieve such high levels of cosmic and global sustainability that they could level off most inequalities (e.g., income, social, and opportunity) and also neutralize structured inequities (e.g., gender, race, caste, color, creed) and eventually even disempower related social evils (e.g., fraud, deception, bribery, money laundering, avarice, greed, envy, hatred), thus dismantling the powers of terrorism and global wars. We cannot restore human dignity nor experience full human personhood except in a globally sustainable environment.

## Part I Understanding the Root Causes of Poverty

If we seek to eradicate poverty effectively, then we must treat it as an integrated pattern of complex interrelationships between micro and macro, subjects and objects, properties and events that fuel it. We must address these patterns of relationships together rather individually with their parts. For instance, poverty cannot be eliminated just in India, for we will then have economic migrants flooding India from neighboring countries. There is deeply entrenched poverty even in the developed countries, especially in inner city ghettos or ghost towns in the United States or United Kingdom. Poverty is a systemic problem, which has until now been addressed unsystematically, to the point that it has become a global threat embedded in our society. When this system of poverty affects the whole world, and severely, it is global desperate poverty.

We must get to the root causes of poverty to eradicate it. Root causes of poverty today could be unique to a given period or decade. [Exhibit 1.1](#) characterizes one system that is hypothesized to cause systemic poverty. Following systems thinking, [Exhibit 1.1](#) captures the circular dynamic structure that augments global poverty in sets of antecedents or determinants that are the subtle, direct, indirect, and circular effects of the unjust structures of injustices and inequities.

Exhibit 1.1. Characterizing Endemic Causes of Abject Poverty.

<b>Elitist structures that ensure elites have:</b>	<b>Corresponding unjust structures that perpetuate poverty with:</b>
<p>High inherited access to quality housing, wealth, health care, education, and opportunity and consequent realization of:</p> <p>(1) high productivity skills and tools that attract:</p> <ul style="list-style-type: none"> <li>• high paying jobs, earning, and buying power</li> <li>• high access to market economy and opportunity</li> <li>• high access to capital, credit, and equity</li> <li>• increasing power and influence to create:                             <ul style="list-style-type: none"> <li>– powerful lobbies that control law and order that assure low liability, guilt, and sentencing.</li> </ul> </li> </ul>	<p>Low access to housing, health care, wealth, education, and opportunity among the poor and the marginalized and consequent disadvantages of:</p> <p>(1) low productivity skills and tools that force:</p> <ul style="list-style-type: none"> <li>• low paying jobs, low earnings, and low buying power</li> <li>• low access to the benefits of the market economy</li> <li>• low access to capital, credit, and equity</li> <li>• chronic indebtedness among the poor</li> <li>• increasing impoverishment and deprivation that leads to:                             <ul style="list-style-type: none"> <li>– high theft, crime, and imprisonment of the victimized poor.</li> </ul> </li> </ul>

*Source:* Compiled by the authors based on Mascarenhas et al. (2013).

A system's feedback structure generates its own dynamics. The most complex behaviors usually arise from interactions or feedback among the components of the system, from the multiplicity of positive and negative feedback loops, all acting simultaneously, from the complexity of the components themselves as well as the surrounding environment. When interactions are few and far between, we may be able to intuit into their systems dynamics in order to control the feedback. But when feedback loops increase exponentially, we may not be able to intuit into their complexities and dynamics. We need computer simulations to aid us.

In systems thinking, feedback is an axiom which states that every influence is both cause and effect. Nothing is ever influenced in just one direction. Reality exists in structures, and structures cause behavior. [Exhibit 1.1](#) captures several circular causation phenomena that influence and exacerbate each other, contributing singly and collectively to abject poverty. Seeing only individual actions (i.e., the left-hand side of [Exhibit 1.1](#)) and missing the structure underlying our actions (i.e., the right-hand side of [Exhibit 1.1](#)) is the root of our linear unexamined thinking and powerlessness in understanding complex systems.

### **Critical Thinking Exercise 1.1**

Apply critical thinking to [Exhibit 1.1](#) and its listed cause–effect sequences among the elite contrasted with those among the poor.<sup>2</sup> Are these listed sequences in both columns valid, and do they reflect the causes of abject poverty objectively? What are the underlying assumptions, presumptions, suppositions, and presuppositions as well as biases and stereotypes of such listings? How can you revise or update these cause–effect lists accordingly? How realistically do they frame and identify the major causes of abject poverty, and what mechanisms do they suggest for effective alleviation or eradication of poverty in general and abject poverty in particular?

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<sup>2</sup>In all the critical thinking exercises suggested in this chapter (and other chapters in this volume), when the exercise calls for application of “critical thinking,” we advise that the reader/teacher/student apply the following exhibits and critical thinking models from Volume 1 of this series, titled *A Primer on Critical Thinking and Business Ethics: Recent Conceptualizations of Critical Thinking*: Exhibits 1.2 and 1.3 (Chapter 1), Exhibits 2.1–2.8 (Chapter 2), Critical Thinking Models 3.1–3.8 (Chapter 3), and Exhibits 4.1–4.3 (Chapter 4). The choice of a specific exhibit or critical thinking model will depend on the content of the exercise. We also especially recommend the following from Chapter 2: Socratic questioning method (Critical Thinking Exercise 2.1), the Cartesian methodic doubt (Critical Thinking Exercise 2.2), checking critical thinking inputs, processes, and outputs skills (Exhibit 2.5), and foundations for all thinking and critical thinking, in particular (Exhibit 2.9).

For a more in-depth and helpful discussion on examining assumptions, presumptions, suppositions, and presuppositions, see the Appendix at the end of this volume.

It is simplistic to imagine that once the forces depicted in [Exhibit 1.1](#) are identified, one could combat poverty. [Exhibit 1.1](#) indicates merely one holistic systems approach to frame and address the problem of abject poverty. It also indicates different structured sources of poverty at different nodal points – for instance, poverty of low access to housing, health care, education, and opportunity among the poor is normally associated with corresponding high and exclusive access to housing, health care, education, and opportunity among the rich. The former generates low productive skills among the poor, eventually leading to high crime and theft, which in turn lead to high incarceration among the poor and so on. Reversing this trend by creatively and entrepreneurially giving all the marginalized masses equal or equivalent access and opportunity for education, health care, housing, sanitation, hygiene, drinking water, and skills training, as also training for bravery and industriousness, commitment and perseverance, is important and necessary to alleviate and eradicate desperate poverty.

The Nordic (Denmark, Norway, Sweden, and Finland) model of the welfare state has succeeded in this regard, but it is creating its own problems of idleness and crime among the welfare-supported unemployed. The Western free enterprise capitalist system is a dangerous model when buyer–seller information asymmetry and nontransparency are high and uncontrolled. The communist models of former USSR/current Russia, China, and North Korea have failed to a considerable extent and are redesigning their market system to attract foreign direct investments (FDI). The socialist systems of India and Brazil need to eradicate fraud, corruption, and bribery and encourage greater FDI before they could get fully operationalized. Whatever the economic model, there must be progressive eradication of poverty, crime, fraud and disease, and a more equitable distribution of economic and social opportunity.

Meanwhile, NGOs and catalytic social entrepreneurs have taken the lead and shown great promise and performance in improving the economic prosperity of the marginalized. Catalytic innovations offer high-quality lifesaving and health-maintaining products and services that are affordable for the poor. They alleviate poverty and narrow income and economic inequality gaps between the rich and the poor more than governments, academicians, and corporations.

Different international institutions have differing views on poverty, on its structure, maleficence. Often, such definitions are the impetus behind legal mechanisms. The General Assembly of the United Nations (UN) declared in a statement signed by the heads of all UN agencies in 1998 that “fundamentally poverty is a denial of choices and opportunities, a violation of human dignity.”<sup>3</sup> The UN sees poverty as a state of deprivation, reflected in the low consumption of food, low health conditions, low educational levels and lack of access to education, and low housing conditions.

To make sense of the phenomenon of poverty, Narayan (2000) explained that it is a state of humiliation, a sense of being dependent on others, and of being

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<sup>3</sup>See [https://www.un.org/esa/socdev/unyin/documents/ydiDavidGordon\\_poverty.pdf](https://www.un.org/esa/socdev/unyin/documents/ydiDavidGordon_poverty.pdf)

forced to accept rudeness, insults, and indifference when one seeks help. Poverty as a phenomenon means lack of basic capacity to participate effectively in society. It is beyond not having enough to feed and clothe a family; it goes to the lack of access to schools or clinics, scarcity of land on which to grow one's food, or a job to earn one's living, or even scarcity to access support or credit. It means insecurity, powerlessness, and exclusion of individuals, households, and communities. Being poor means one would be susceptible to violence and would be living in marginal or fragile environments, without access to clean water or sanitation. As a phenomenon, poverty deprives people of the right to access and enjoy the basic necessities of life.

This phenomenon can occur as *relative* poverty or the inability to meet minimum standards of living and differs with each economical and geographical context. It is not possible to compare someone from an impoverished section of society in the Western countries to someone in the impoverished sections of societies in the South Asian countries. Poverty can also be *absolute*, in that there is complete absence of the necessary means to serve personal socioeconomic needs, such as food, clothing, and shelter. Here, the meaning of poverty does not change according to context. Some nations are perpetually in a state of abject poverty caused by a fragile economic plan, dictatorship, colonized past, and/or several other unfortunate circumstances of race, caste, color, or creed.

### ***Social Welfare and Social Progress to Combat Poverty***

Common to social welfare and social progress is the word "social" that can be traced to the Latin word *socius* which means a "companion." Hence, etymologically, the word "social" evokes notions of companionship, sharing companions on the journey of life, social community, social collaboration, social harmonious living, and some forms of social equality, social solidarity, equal opportunity, and egalitarian socialization. Social welfare, as derived from *socius*, indicates the means to social companionship, such as social and economic policies, procedures, choices, and strategies that would bring about social and opportunity equality among all, which in turn stimulate social progress, social development, and social justice.

Research however suggests that collectively, the meaning of social welfare has not yet received strong, cross-disciplinary, or unitary consensus among theorists (Mitchell et al., 2016, p. 254). Thus, "the term 'social welfare,' as routinely used in welfare economics, refers to the 'ethical value' or the 'goodness' of the state of affairs of the society. As used by the pioneers of modern welfare economics, 'social welfare' is simply the representation of the 'goodness' of the social state" (Sen, 1991, p. 15), as also rooted in individual welfare (Sen, 1991, p. 18). Galbraith (1996, p. 4) argued that for social welfare in the good society, "all of its citizens must have personal liberty, basic well-being, racial and ethnic equality, the opportunity for a rewarding life." Psychologists and others sometimes utilize notions of happiness and well-being when discussing social welfare. For example, Thin (2012, pp. 33, 40) suggests that "social happiness" is the ultimate societal