

THE ETHICS OF UTILITARIANISM IN A CIRCULAR ECONOMY

Martinus Tukiran

Sekolah Tinggi Filsafat Driyarkara, Jakarta, Indonesia

Email: martinus.tukiran@driyarkara.ac.id

Tirtahadi Candra

Sekolah Tinggi Filsafat Driyarkara, Jakarta, Indonesia

Hendri Kornelius

Sekolah Tinggi Filsafat Driyarkara, Jakarta, Indonesia

Abstrak

Dalam persaingan bisnis, perusahaan selalu dituntut untuk lebih unggul dalam menciptakan nilai tambah terhadap produk dan jasa yang dihasilkan. Namun dalam keterbatasan ketersediaan sumber daya, perusahaan dituntut untuk bertindak bijaksana dalam mengelola aktivitas bisnis dan mencapai tujuan bisnis secara berkesinambungan. Tulisan ini bertujuan untuk menjelaskan bagaimana para pelaku bisnis dapat membangun bisnisnya dengan memperhatikan tanggung jawab. Etika utilitarianisme merupakan pandangan etis yang menekankan tujuan memaksimalkan kesejahteraan untuk sebanyak mungkin orang yang dihubungkan dengan konsep ekonomi sirkular. Ekonomi sirkular adalah sistem ekonomi yang berfokus pada penggunaan sumber daya secara efisien dan bertanggung jawab melalui daur ulang, penggunaan, dan pembaruan sumber daya. Hasil kajian menunjukkan bahwa etika utilitarianisme dapat diterapkan pada prinsip ekonomi sirkular dan bagaimana prinsip tersebut dapat membawa manfaat ekonomi dan lingkungan yang signifikan. Artikel ini juga membahas beberapa tantangan dan potensi ketidakadilan sosial yang terkait dengan penerapan ekonomi sirkular dan cara mengatasinya melalui pendekatan yang lebih inklusif.

Kata kunci: Utilitarianisme, Ekonomi Sirkular, Keadilan, Pertukaran Sumber Daya, Tanggung Jawab Bersama

Abstract

In business competition, companies are required to be superior in creating added value for the products and services produced. However, within the limited availability of resources, companies must act wisely in managing business and achieving sustainable business objectives. This paper explains how a businessman can build their business by paying attention to morals. Ethical utilitarianism is an ethical view that emphasizes the goal of maximizing welfare for as many people as possible associated with the circular economy concept. A circular economy is an economic system that focuses on the efficient and responsible use of resources through the recycling, use, and renewal of resources. The study results show that ethical utilitarianism can be applied to circular economy principles and how these principles can bring significant economic and environmental benefits. This article also discusses some of the challenges and potential social injustices associated with implementing a circular economy and how to overcome them through a more inclusive approach.

Keywords: *Circular Economy, Ethical Utilitarianism, Exchange of Resources, Fairness, Shared Responsibility*

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INTRODUCTION

The rapid growth of the global population and rapid urbanization greatly affect the increase in public consumption, while natural resources are limited and are becoming increasingly challenging steps globally from the perspective of development in the economic field (De Angelis, 2018). One forecasting model that has been researched by experts states that the world population will reach nine billion people in 2050 and will consume resources more than three times the current level of world consumption (Planing, 2015). Therefore, it is a challenge for all parties, including producers, consumers, governments, and researchers, to find breakthroughs and solutions to overcome this problem and create a better future for the world. The current linear economy characterized by

instantaneous behavior, namely obtaining products easily, using them, and assembling their packaging and residue, will accelerate the depletion of resources and energy on earth. In general, people's behavior in shopping can be associated with their tendency to enjoy hedonism rather than the need for these products. Patterns of behavior like this shape the modern world, often referred to as a commercial society or a market society that fits with hedonic morality (Scarpi, 2020). Instant consumption behavior together with the greenhouse effect due to the construction of high-rise buildings in many big cities have caused a wave of global warming which is increasingly becoming a serious problem facing humanity (Taherdangkoo et al., 2017). The decline in the quality of the environment, which is manifested in various forms of environmental pollution, is a consequence of the haphazard and exploitative use of natural resources (Muthmainnah et al., 2020).

One of the alternative solutions offered by experts is the circular economy concept. The concept of a circular economy, inspired by the chain of life shown by the universe and introduced in the late 1970s, where there is no residue or wasted product left over from the product consumed but will become input for the next process. The circular economy is a new strategy to challenge the traditional open system, which aims to overcome the challenge of resource scarcity. A circular economy is a restorative or regenerative industrial system. This concept replaces the linear economic concept which is considered obsolete and contributes a lot to environmental damage. The circular economy does not have one solid definition. Still, in general it can be defined as a concept in which growth and prosperity are separated from the consumption of natural resources and the destruction of ecosystems (Geissdoerfer et al., 2017).

According to Richard Steward and James E Krier, the global environmental crisis can be grouped into three things, namely; environmental pollution (pollution); improper land use (land misuse); exploitation of natural resources which causes resource depletion (Muthmainnah et al., 2020). These three things can be understood in a series that the decline in the quality of the

environment, which manifests itself in various forms of environmental pollution, is a consequence of the haphazard and exploitative use of natural resources. Therefore, efforts to maintain environmental balance to achieve a healthier and more balanced living space for all human beings are of concern to many parties. This can be seen in "The Limits to Growth" which provides an overview of environmental crises or disasters on a global scale as a result of the massive industrialization process. This ecosystem (earth) limitation to support economic growth is used as the basis for building awareness of environmental sustainability. It is not surprising that at that time an extreme offer appeared towards zero growth which was expected to be able to maintain the integrity of the environment (Muthmainnah et al., 2020).

It is not negotiable that economic development needs to be approached with an ethical approach, in which human behavior needs to be directed for the continuity of human life in the future. Then, the ethical principle of utilitarianism becomes an offer to manage economic development, especially the circular economy as a form of implementing utilitarianism ethics. With the ethics of utilitarianism, it is hoped that the circular economy can be understood and subsequently implemented fundamentally. Utilitarianism is a moral theory that advocates actions that encourage happiness or pleasure and opposes actions that cause unhappiness or harm (Sudaryanto, 2016). When directed to make social, economic, or political decisions, the utilitarian philosophy will aim to improve society.

A BRIEF SUMMARY OF BUSINESS ETHICS

In everyday life, ethics can be interpreted as a value system that applies in society. Ethics can also be interpreted as a code of ethics, which is a set of norms and moral values that a group of holders of a particular profession must consider. Ethics is also a science that performs critical and systematic reflection on morality. In this sense, ethics is the same as moral philosophy (Sudarminta, 2013). Ethics, also called moral philosophy, examines human

guiding principles and regulates behavior to be good and straight. Ethics is a critical and rational reflection on moral values and norms that determine and manifest in the attitudes and behavior patterns of human life both as individuals and as groups in society. Ethics is moral principles that individuals integrate into the decision-making process. Then the norms or principles that become a person's reference are the basis that determines the rightness and wrongness of his behavior (Sudarminta, 2013).

Like ethics in general, the definition of business ethics is also very diverse. Definitions differ according to the degree of emphasis on certain characteristics, but most definitions focus on evaluating the moral acceptability of the actions of management, organizational leaders, and their employees. The concept of business ethics can be defined as a systematic study of moral issues that occur in business and are related to the behavior of people, organizations and institutions (Cremer et al., 2011).

In the circular economy concept, business strategy is directed at environmental and social values for stakeholders. With a business strategy like this, it is expected that products and/or services that contain social or environmental principles can influence consumer purchasing decisions, or will become considerations that can influence purchasing decisions, such as safety, environmental friendliness, employee welfare, price fairness, and social impact. (Crane, 2001). The circular economy concept as a business strategy will build long-term trust of all stakeholders in the company's products or services and will even become a positive image of the company which will lead to a better share value. In practice, this means developing business models that focus on sustainable development and take into account the social and ecological impacts of doing business. This can be achieved by applying environmentally friendly product design principles, promoting the use of recyclable raw materials, and making resources more efficient.

Actions taken by applying utilitarianism ethics in a circular economy can bring maximum benefits to many people, including

entrepreneurs, consumers, and the wider community. Circular economy practices can provide significant economic and social benefits, including increasing production efficiency and reducing the negative impact of waste and emissions on the environment. With a business model and strategy that applies utilitarianism ethics in a circular economy like this, it will be able to build trust in the company and its products in the long term. Trust can be interpreted as the willingness of organizations, companies, or individuals to be vulnerable to the actions of their business partners to conduct business transactions, increase access to valuable information, or business cooperation in a stronger relationship, and various actions to reduce transaction costs. in the face of risk uncertainty (Hernández-Perlines et al., 2020).

Applying utilitarian ethics to a circular economy can also encourage social equality and provide equal benefits for all parties involved in economic activity. This means reducing social inequality and increasing the welfare of society as a whole. Finally, relationship integrity implies that the company adheres to principles acceptable to its stakeholders (Schoorman et al., 2007). Thus, applying utilitarianism's ethics in a circular economy can help create a more sustainable and mutually beneficial business model. By considering economic activities' social and environmental impacts, circular economy practices can generate greater economic and social benefits and promote social justice.

A BRIEF SUMMARY OF UTILITARIANISM

"The greatest good to the greatest number", is a principle in the flow of utilitarianism moral philosophy which emphasizes the principle of utility (Sudarminta, 2013). Utilitarian considerations are more quantitative than qualitative, namely the happiness or benefit of as many people (Sudaryanto, 2016). This school is a tradition of moral thought that originated in England, which then spread throughout the English-speaking areas. Although utilitarianism as new normative ethics was systematically developed by Jeremy Bentham (1748-1832), the seeds of his thoughts can be found in the

thoughts of previous British thinkers such as Thomas Shaftesbury (1671-1713), Francis Hutcheson (1694-1746), and David Hume (1711-1776).

Some of the pioneers of utilitarian thought, such as Richard Cumberland (1631–1718) and John Gay (1699–1745) were “theological.” They believe that trying to create happiness for many people is something God wills, so we must do it. A virtuous person is one who, in his actions strives for the results of his actions to bring happiness to many people. The “theological” nuance in the ethical theory of utilitarianism is then deemed unnecessary because the principle can be accounted for naturally (can be accounted for naturally) based on human nature itself which has a sense of morality and rational considerations whereby humans are able to sort out what is good and what is bad and morally flawed. Classical utilitarianism, as developed by J. Bentham and later revised by J.S. Mill, is motivated by the need to carry out social and legal reforms where principles and norms are needed to judge which legal system is good and worth defending, and which is not.

Utilitarians measure the morality of an action or rule based on its consequences. The morality of an action is not inherent in the action itself. If the result sought is good, then the action is morally right; if it is not, then the action is wrong. A good result is a useful (utility) result, where the use supports what is of value in itself, which is good in itself. Since what is good in itself is happiness, the morally right action contributes to happiness. What makes people happy is pleasure and freedom from bad feelings, because that's what humans want. Trying for happiness is the same as trying to experience pleasure and avoid painful experiences. The determination of the moral quality of an action is not the happiness of the perpetrator himself or the happiness of a particular group, class, or class, but the happiness of all those affected by the action. Thus, utilitarianism is not selfish but adheres to ethical universalism (Magnis-Suseno, 1997).

The principle of usability as the main benchmark for assessing and making decisions about whether an action is morally right or

not to do. Actions that are morally right are actions that are useful. An action is considered useful if the consequences of the action as a whole bring good results in the form of greater profits or happiness for more and more people (Sudarminta, 2013). An action must be considered right in so far as it tends to promote happiness, and wrong in so far as it produces the opposite of happiness. The intended meaning of happiness is pleasure and freedom from feelings of pain. By contrast, what is meant by unhappiness is the feeling of pain and the absence of pleasure. The morality of an action is measured by the extent to which it is directed to happiness and happiness itself consists of feelings of pleasure and freedom from feelings of pain. Utilitarianism states that among all the actions taken or among all the rules that are adhered to, what is morally justifiable is the action or rule that as far as it can be calculated will best advance the interests of the many people or be profitable that will bring the happiest to the many people.

In general, utilitarianism as a modern normative ethical theory has critical, rational, universal, teleological, and consequentialist characteristics. This ethical theory is critical because it rejects adherence to moral norms or regulations and customs that already apply in society. This principle demands that every time we face a choice between alternative actions or social policies, we make a choice that has consequences, which is overall the best for everyone involved (Rachels, 2004). In social norms, moral regulations and customs are often found which are considered useless because they are detrimental to many members of the community and cannot be maintained. This theory demands that there be reasonable reasons why social norms, moral rules, and customs in society deserve to be obeyed. This ethical theory is rational because it demands rational reasons for enacting social norms, moral regulations, and customs that are worthy of being obeyed in society. Furthermore, the qualities of rationality can be measured by determining whether activities that adhere to societal norms, moral rules, and conventions have more positive outcomes than negative ones. Because of its critical and rational nature, utilitarianism in

traditional society is often seen as an ethical theory that is harmful to compliance with traditionally valid moral norms. Instead of simply accepting these moral norms, utilitarianism demands that these norms be accounted for based on their benefits or uses for many people.

Utilitarianism is also universal, because it is different from ethical egoism which prioritizes the self-interest of the perpetrator of the action. Utilitarianism emphasizes the public interest or the interests of the greater number of people associated with the actions, rules or policies to be taken. Utilitarianism is also teleological because it presupposes that there is a goal (*telos*) to aim for, namely the existence of greater good, profit, or happiness compared to the harm, loss, or suffering caused by the actions taken or the rules enforced. Utilitarianism is also consequentialist because the rightness of an action is morally judged by the consequences that the action has for the more people associated with the action.

Along the way, utilitarianism has received many criticisms and objections. One aspect that causes problems is the supposition that each individual action must be evaluated by referring to the principle of utility. Such assumptions often cause many difficulties. Because in this case, the important thing is the result is good, regardless of how the process is done. In response to various criticisms and objections raised against him in modern times, utilitarianism has made a series of improvements and modifications to its theory so that individual actions are no longer judged by the principle of utility. Instead, what needs to be studied first is which set of rules is the best according to the point of view of utility theory. Which rules are better owned by a community if it wants to develop itself faster and more advanced. Meanwhile, individual actions must be judged right or wrong according to the provisions of whether they can be accepted or not by these rules. Thus, two kinds of utilitarianism are distinguished, namely Act Utilitarianism and Rule Utilitarianism.

Act utilitarianism is formulated as; "Act in such a way that each action produces good results that outweigh the bad ones." In

Action Utilitarianism, there is no general norm that applies to consequences. Every action must be taken into account in particular the consequences that will occur. Whereas in Rule Utilitarianism, what counts is not only the good and bad consequences of each action, but also the general rules that underlie those actions. The rules that apply are; "act according to the rules whose application produces good results that are greater than the bad ones" (Sudarminta, 2013).

A BRIEF SUMMARY OF CIRCULAR ECONOMY

The definition of a circular economy can be understood as a model in which companies together with business partners focus on using innovation to create, capture, and deliver value to increase resource efficiency by extending the life of products and/or spare parts, thus realizing environmental, social and economic benefits (Frishammar & Parida, 2018). Three basic strategies for achieving a circular economy. *First*, reducing resource use, or increasing resource efficiency, by reducing the number of components or materials needed to make each product. *Second*, it slows down resource consumption by improving product quality and extending its life. All aspects of the product, from design to repair and remanufacturing, need to be considered from the perspective of long life and reduced resource use. *Third*, strive for cycles by recycling. This also needs to be considered from the very beginning of product design and production. Many companies motivate customers to recycle in different ways, requiring customer knowledge of and interest in the company's ethical products (Bocken et al., 2016).

This circular economy requires immense customer trust, whose loyalty is the key to its success. The circular economy ecosystem transcends organizational boundaries, and includes suppliers, customers, and public authorities, where each stakeholder plays a specific role based on effective inter-organizational relationships. The circular economy has been recognized as a solution to the scarcity of natural resources and

energy, and can further improve company performance (Lewandowski, 2017). The circular economy is expected to reduce energy consumption and company resources by reusing, recycling, and reducing material use.

According to the Bappenas (2021) report, the circular economy is more than just an opportunity to reduce waste and improve the environment. Like governments worldwide, Indonesian policymakers are working to support economic recovery from the COVID-19 pandemic. However, a key question remains, whether these recovery policies reinforce existing "business as usual" economic structures with their associated negative impacts on the environment, or whether there are opportunities for "building back better" where efforts are made to maximize shared benefits between economy and environment. This analysis shows that fully adopting circularity opportunities in five key economic sectors (food & beverage, textiles, construction, wholesale and retail, and electrical and electronic equipment) can be a key component of economic recovery, helping to strengthen the economy, create new jobs, reduce household expenses, and preserve the environment. By adopting circular economy opportunities in these sectors, Indonesia's GDP could increase by IDR 593 to IDR 638 trillion (USD 42 to USD 45 billion) in 2030 (compared to a "business as usual" approach) in 2030; A cumulative net 4.4 million jobs could be created across the economy between 2021 and 2030, of which 75 percent could be for women; CO₂e emissions and water use could be reduced by 126 million tons and 6.3 billion m³ respectively by 2030 (equivalent to 9 percent of current emissions and 3 percent of current water use); and the average Indonesian household saves IDR 4.9 million (USD 344) per year, representing almost nine percent of current annual household spending (Bappenas, 2021).

By creating new jobs, making supply chains more resilient, and providing business opportunities (particularly for Micro, Small, and Medium Enterprises), the circular economy can become a key component of Indonesia's economic recovery. However, the analysis also highlights some challenges, including potential job

losses and reduced demand for upstream production in the five focus sectors (in multiple scenarios). A robust multi-stakeholder roadmap is considered as the next step in this work and will be crucial to addressing this issue and overcoming barriers to seizing circular economy opportunities (Bappenas, 2021).

DISCUSSION

Because utilitarianism provides a relatively pragmatic basis for considering costs and benefits, it is not surprising that in practice decision-making related to business decisions is often used in practice. Employers need to note that adherence to these new norms appears to be more beneficial than operating without them. This principle is the basis for decisions from among alternative actions or policies with consequences that are best for everyone involved (Rachels, 2004). The calculation of costs and benefits has implications for considering what constitutes business continuity. The success of a business is marked by an optimized collective value, which is optimized on benefits that are widely felt and recognized by many people and will eventually become viral in the social media ecosystem which is very popular today.

A utilitarian is a strict universalist in the sense that he believes in one universal moral rule, which is the only possible value and that everyone must realize. The utility principle or greatest-happiness principle emphasizes that when choosing an action, always choose the action that will maximize happiness and minimize unhappiness for the greatest number of people (Rachels, 2004). Any action that conforms to this principle is considered morally right, and any action that does not conform to this principle is considered morally wrong. In this way, the utilitarian offers a clear and simple moral criterion, namely that pleasure is good and suffering is bad. Anything that causes happiness and/or reduces suffering is morally right, and anything that causes suffering or unhappiness is morally wrong. In other words, utilitarianism is only interested in the consequences of actions: if it is good, then the action is right; if it is bad, then the action is wrong (false).

Positioning ethical utilitarianism as a concept practiced in a circular economy helps to integrate the many layers of relationships into our understanding of the environmental dimension from the point of view of human interests. In contrast to linear and traditional economic practices, the spirit of prioritizing morals and ethics in circular economic practices appears to take precedence. Ethical values in a circular economy are the application of holistic and sustainable values that require new understanding and ethical considerations for the use of natural resources, environmental impacts, production processes that pay attention to ecological boundaries and have a sense of responsibility for the future of mankind (Qiao & Qiao, 2013). The value principles of the circular economy are the ethical spirit that aims to defuse tensions between the economy, the environment, and the economy and society. The application of ethics in circular economy business is expected to create a balanced ecosystem between economic practices, resources, environment and society.

The circular economy also impacts economic growth by maintaining the value of products, materials and resources in the economy as long as possible, thereby minimizing the social and environmental damage caused by a linear economic approach. It's not just a form of better waste management with more recycling. The circular economy includes a wide range of interventions across all sectors of the economy, and activities focused on the 5Rs: Reduce, Reuse, Recycle, Refurbish and Renew. The good news is that many Indonesian businesses have adopted elements of the 5R principles in their operations. The informal sector also plays an important role in implementing 5R. For example, in the electrical and electronic equipment sector, small and informal players dominate the reuse and recycling of electronic products. Around seven percent or nearly 500,000 tons of Indonesian plastic waste are collected informally (Bappenas, 2021). The circular economy can be built on the progress made by the informal sector.

The application of utilitarianism ethics in a circular economy system has several forms that can be applied, including; eco-friendly

product design, waste recycling and treatment, exchange of resources, and use of sustainable technology (Bocken et al., 2016). Today many business models are implemented in the form of resource exchange. Facilitating the sharing of resources between various parties, including businesses, organizations, and communities, can help maximize resource utilization and reduce waste. This can lead to significant economic and environmental benefits. This is a form of applying utilitarianism ethics in a circular economy system. An example of sharing resources in a circular economy is the car-sharing business model, such as that of companies like Zipcar and Car2Go. Under this model, people can rent a car only when they need it, and the car is used more efficiently than if everyone had their own car (Nijland & van Meerkerk, 2017). In addition, these cars often use sustainable technologies such as hybrid or electric engines which are more environmentally friendly.

Sharing resources in a circular economy can bring significant economic and environmental benefits. In a case study conducted in Milan, Italy, the Car2Go business model reduces the number of cars on the road by up to 10%, reduces greenhouse gas emissions and helps reduce traffic congestion. This shows that the practice of sharing resources can provide significant social and environmental benefits (Esfandabadi et al., 2022).

Sharing resources between various parties, including businesses, organizations and communities, can help maximize resource utilization and reduce waste. This can have significant economic and environmental benefits. In the long term, sharing resources between parties can help build a more sustainable circular economy and generate significant economic and environmental benefits for people and the entire planet. Utilitarianism can be the main ethical framework for developing and implementing a circular economy. According to utilitarianism, the right action should result in the greatest happiness or well-being for those involved. In a circular economy, the right actions bring the greatest economic, social and environmental benefits to society and the whole planet Earth. The concept of a circular economy that promotes the efficient

and responsible use of resources can create new and sustainable jobs. Some of the factors that enable job creation through a circular economy are, for example;

(1) Better efficiency:

The resources used in a circular economy are managed effectively and reused as much as possible, making the use of resources more efficient and reducing production costs. This can help increase the competitiveness of companies and create new jobs.

(2) Technological development and innovation:

The circular economy concept promotes the development of technology and innovation to support the efficient and responsible use of resources. In the long term, this could create new jobs in research and development and generate technologies and innovations that enable companies to produce goods and services more efficiently.

(3) Increasing demand in the market:

Consumers are increasingly aware of the importance of using resources responsibly and environmentally friendly, so market demand for products and services produced through a circular economy is increasing. This can open up new opportunities for companies to enter the market, increase their market share, and create new jobs.

The circular economy concept has the potential to create new and sustainable jobs by increasing efficiency, developing technology and innovation and increasing market demand. The broader application of circular economy concepts can generate significant economic and social benefits for society as a whole.

The circular economy concept associated with the normative ethical theory of utilitarianism is not without problems. Even though the circular economy concept has the potential to generate significant economic and environmental benefits, in practice there is a potential for injustice to small communities. Research on circular economy injustice is scarce, but several studies have highlighted the possibility of such injustice. A 2019 study by the International

Institute for Environment and Development shows that implementing a circular economy in developing countries can empower large companies and reduce opportunities for small and micro businesses. This study also underscores the importance of capacity building and financing to ensure equal participation in the circular economy (Parrique et al., 2019).

The circular economy concept has the potential to create inequality for small communities through barriers to entry, financial risks, lack of proper regulation, and unintended environmental and social impacts. Therefore, it is necessary to strive for the implementation of the circular economy to be carried out inclusively and fairly, with the broad participation of all parties and taking into account the interests of the small community.

Utilitarianism seeks the benefit of all concerned with a particular action. In J. Stuart Mill's Utilitarianism, there appears to be a contradiction between hedonism, which recognizes pleasure as the final value, and altruism, which justifies the possibility of acting selflessly and even demanding sacrifices for the sake of others. Since utilitarianism associates the morality of an action with the sum of the good consequences outweighing the bad, the question of how the value of an effect can be determined must be answered. If the good effects must outweigh the bad effects, what does "greater" mean in terms of value? How do you calculate the good consequences that outweigh the bad consequences of your actions? Because many factors can affect the consequences of our actions, it will be difficult to consider all the consequences that will occur as a basis for consideration in making decisions. Not only is it difficult to calculate the value of the resulting consequences, but what consequences can be caused by the actions we choose; it is also not easy to calculate before acting.

Thus, the application of ethical utilitarianism in circular economy activities has the potential to conflict with the principle of justice, because by prioritizing the public interest or the interests of more people in terms of numbers, the interests of individuals or a small group of people can be sacrificed. This means that it is unfair,

because the human rights of individuals or small groups in society can be sacrificed to prioritize what is claimed as a wider interest and has a long-term impact. Fairness and shared responsibility are two very important principles of business ethics. The principle of justice refers to treating all people equally and consistently. In contrast, the principle of shared responsibility refers to the duties and responsibilities of individuals and organizations in maintaining environmental and social sustainability. The principle of fairness in business emphasizes the importance of treating all parties involved in business fairly and equally, including consumers, employees, shareholders and the environment. Fairness in doing business also refers to the principle of equal rights and obligations as well as uniform and objective treatment in decision making.

At the same time, the principle of corporate responsibility emphasizes the responsibility of people and organizations towards environmental and societal sustainability. This principle encourages companies to participate in social and environmental development and respond to the impact of business activities on society and the environment.

CONCLUSION

This study aims to systematically review the ethics of utilitarianism used to study circular economy issues, so that understanding cognitive values can maintain harmony, trust, loyalty, values and morality in circular economy models. The implications of this paper are expected to build awareness, sharing, involvement, and trust between buyers and sellers by paying attention to and understanding values, ethics and morality in carrying out economic activities.

Recognizing that the purpose of a company as a business entity is to seek profit and avoid losses, this is in accordance with the ethical principle of utilitarianism, where utilitarianism provides a relatively pragmatic basis for considering costs and benefits. It is not surprising that in practice decision-making related to public interest policies concerning the common good, utilitarian principles,

consciously or not, in practice can serve us well when we try to understand business practices in society. It has been explained that the ethics of utilitarianism can practically be applied to circular economy activities, but the main idea that needs to be raised from this paper's systematic analysis of the ethical theory of utilitarianism is the management of a circular economy which is oriented towards the form of resource exchange. Facilitating the sharing of resources between various parties, including businesses, organizations and communities, can help maximize resource utilization and reduce waste. This can lead to significant economic and environmental benefits. The ethics of utilitarianism and the circular economy can be combined with the view that actions should have positive consequences and bring the greatest possible benefit to as many people as possible. In a circular economy, this concept can be applied by maximizing the use of existing resources, minimizing waste, and paying attention to social justice for all people, including small communities that companies need to pay attention to through their social responsibility programs.

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