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## Businesses often row back on ethics when times get tough. Here's how technology can keep them on track

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Five carmakers are involved in a case at the High Court in London over claims that they cheated on emissions tests. A decade ago, the “dieseldgate” scandal broke, eventually forcing Volkswagen to pay billions of euros in fines and settlements. These carmakers (Mercedes, Ford, Peugeot/Citroën, Renault and Nissan) have all faced accusations that selling cars was more important to them than their environmental responsibilities. They all deny the allegations.

Back in 2015, all [United Nations](#) member states adopted 17 [sustainable development goals](#) (SDGs) as a global blueprint to end poverty and inequality, protect the planet and promote peace by 2030. Central to this agenda is the pledge to “[leave no one behind](#)”, affirming that progress in any area matters only if it reaches the world's most vulnerable communities.

The allegations against the carmakers sit within this wider pattern. When firms treat a crisis – in this case environmental regulations – as justification for bending the rules, sustainability stops being a real commitment and becomes a fair-weather promise.

The same logic can appear in geopolitics, but with far more devastating consequences. At the extreme end, conflict shows how quickly the SDG blueprint can unravel.

In Gaza, for example, more than two-and-a-half years of war have pushed the goals into reverse. Poverty and hunger have deepened (SDGs 1 and 2); hospitals have been bombed, damaged or overwhelmed, making even basic care difficult to provide (SDG 3); children have been kept out of school (SDG 4); clean water and sanitation systems have deteriorated (SDG 6); unemployment has soared (SDG 8); and neighbourhoods have been reduced to debris, waste and pollution (SDGs 11, 12 and 15).

The UN estimates that Gaza's human development has been set back by up to 69 years, while Unicef reported that 625,000 children had lost an entire school year. The UN Conference on Trade and Development reported that Gaza's GDP contracted by 83% in 2024, with unemployment reaching 80%.

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***Read more: Gaza's once-growing economy is nearing total collapse***

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When aspiring managers or leaders watch the alleged suspension of ethics, responsibility and sustainability, they learn a destructive lesson. Values might become viewed as optional add-ons.

These leaders risk grooming a new generation of "crisis relativists", who believe that the rules of ethical and sustainable conduct can be temporarily waived in times of crisis.

If tomorrow's CEOs, managers and policymakers come to believe that social and environmental responsibility is discretionary, societies risk losing hard-won gains. This could be in the form of labour rights, fair supply chains, environmental stewardship or societal fairness. Any or all can be rolled back whenever there is an economic downturn or geopolitical shock.

But, what does this have to do with carmakers? More than it may at first seem. The deeper issue is what can be called crisis relativism: the belief that ethical and sustainability commitments can be softened, deferred or quietly abandoned when organisations feel under pressure.

In business, that pressure may come from regulatory demands, commercial competition or financial strain. Research I was involved in shows how, under pressure or in times of crisis, firms can shift risks and costs on to weaker actors in supply chains rather than absorb responsibility themselves.

The Volkswagen emissions scandal demonstrates how a firm, in pursuit of its goals but facing crisis (in this case its failure to meet strict US and EU regulations) deliberately bypassed ethical and environmental responsibilities. Between 2009 and 2015, it installed software in millions of its diesel vehicles to cheat emissions tests.

It illustrates a crisis of relativism, where managers, unable to fully comply with regulatory demands, justified using deceptive practices. The carmaker apologised and eventually paid out more than €30 billion (£26 billion) worldwide in fines and compensation. VW settled several cases out of court; a ruling on the other five carmakers is expected in summer 2026. The five carmakers have said the claims against them are without merit.

Beyond the car industry, numerous fashion brands have been seen to offload responsibility for their ethical and social obligations to suppliers in developing economies, as a mechanism for escaping their economic difficulties.



When companies dodged their ethical responsibilities and orders were cancelled, garment workers paid the price. Nadeem A. Khan/Shutterstock

During the height of the COVID pandemic, many multinationals abruptly cancelled apparel orders and delayed payments across south Asian supply chains. This shifted the shock on to vulnerable suppliers and workers in countries like Pakistan.

Companies need to devise strategies and systems that are grounded in protecting workers, communities and the environment – even under the pressure of a global shock or crisis.

## **How to lock companies into their responsibilities**

Other research I did with colleagues shows how digital technology can underpin sustainability strategies. For instance, clothing and footwear multinationals can deploy end-to-end digital traceability.

This could include the use of IoT (internet of things) sensors to measure things like emissions, as well as satellite or AI monitoring, e-wage records to ensure fair pay, and blockchain smart contracts. This improves transparency and would help to verify that companies' environmental and social duties are being met.

Such technology can work even across remote supply-chain tiers. It makes non-compliance visible and costly, locking firms into auditable commitments even in the event of a crisis.

These advanced technologies can serve as a direct counter to crisis relativism. In other words, they would close off the “escape route” where sustainability pledges are quietly abandoned whenever geopolitical, economic or public health crises arise.

Would firms be compelled to use them? Increasingly yes, through institutional regulations, procurement clauses, and finance or insurance requirements. And even where not mandated, these tools function as a safeguard by **creating** real-time and automated alerts that make backsliding visible.

Ultimately, businesses must prove that human values matter all the time. Business is not war – even when firms face what they perceive to be a crisis. Treating ethics, dignity and sustainability as optional extras leads to destruction not only for those in conflict zones, but for society as a whole.

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