ISIR Journal of Business and Management Studies (ISIRJBMS)
ISSN: 3048-7684 (Online)
Frequency: Bimonthly
Published By ISIR Publisher
Journal Homepage Link- https://isirpublisher.com/isirjbms-home/

Institutional Ethics and the Crisis of Governance in Sustainable Transition: Corruption, Public Trust and the Moral Architecture of Green Transformation

By

Wojciech Słomski

Article History

Received: 05/04/2026
Accepted: 25/04/2026
Published: 27/04/2026

Vol – 3 Issue – 2

PP: -73-80

DOI : 10.5281/zenodo.19783350

Abstract

The contemporary discourse on sustainable transition has largely been dominated by economic modelling, technological innovation and financial instrument design. Yet the normative foundations of governance remain insufficiently theorised. Drawing upon empirical research on corruption, domestic savings, green bonds, environmental taxation and policy modelling, this article advances a normative thesis: sustainable transition is structurally contingent upon institutional ethics. Corruption is not merely an economic inefficiency but an ethical disintegration of institutional order, undermining public trust, financial credibility and long-term sustainability. The article reconstructs the moral architecture of governance necessary for green transformation and argues that without institutional integrity, renewable transition and green finance remain structurally fragile.

Keywords: *institutional ethics, corruption, governance, sustainable transition, public trust, green finance*

Introduction

The contemporary debate on sustainable transition has reached a critical normative threshold. While empirical research has demonstrated the economic significance of renewable energy adoption (Bekun et al., 2025), the fiscal effectiveness of environmental taxation (Staniewski et al., 2024), and the financial resilience of green bonds (Meo et al., 2025), the ethical infrastructure underpinning governance remains conceptually underdeveloped. Sustainable transition is frequently framed as a technological or financial problem, yet it is fundamentally a question of institutional morality.

The empirical literature on corruption and governance provides an indispensable entry point into this normative lacuna. Abu and Staniewski (2019) demonstrate that corruption in Nigeria is structurally embedded across multiple determinants and cannot be reduced to episodic administrative failure. More importantly, Abu and Staniewski (2022) show that corruption significantly diminishes domestic savings. The reduction of savings is not merely a financial outcome but an erosion of collective confidence in institutional reliability. Domestic savings represent deferred trust in future institutional stability. When corruption corrodes this trust, the moral foundation of long-term investment collapses.

This structural insight must be read alongside Ruiz Estrada et al. (2018), who propose a composite development index incorporating corruption as a core variable of socio-economic degradation. Corruption appears not as a peripheral deviation but as a systemic distortion of developmental capacity. Sustainable transition, therefore, cannot be theorised independently of institutional ethics. It is insufficient to design green financial instruments if the institutional environment lacks normative coherence.

The literature on ethical aspects of entrepreneurship deepens this normative perspective. Staniewski and Słomski (2015) argue that ethical entrepreneurship is not an optional virtue but a structural precondition for sustainable economic relations. Similarly, Staniewski, Słomski and Awruk (2015) interrogate whether ethics in entrepreneurship is possible at all, concluding that institutional frameworks either enable or suppress ethical agency. These analyses suggest that sustainability depends upon moral architecture embedded in organisational and institutional design.

Parallel research on governance and innovation for sustainable growth emphasises the interdependence between management structures and long-term stability. Dos Santos, Huertas González-Serrano and Staniewski (2022) underscore that governance is not merely procedural coordination but normative orientation toward collective future viability. Their analysis implies that green transition without ethical governance degenerates into technocratic managerialism devoid of moral legitimacy.

*Corresponding Author: **Wojciech Słomski.**

Moreover, the resilience of green bonds during market turmoil, documented by Meo et al. (2025), cannot be interpreted solely in financial terms. The credibility of green financial instruments presupposes institutional trust. Financial markets reward perceived ethical reliability. If corruption undermines regulatory integrity, the signalling function of green bonds deteriorates. Thus, financial sustainability presupposes moral sustainability.

Energy transition research further confirms the structural interdependence between institutional order and environmental outcomes. Bekun et al. (2025) demonstrate that renewable energy moderates the environmental consequences of energy-intensive growth in developing countries under open market conditions. However, open market integration intensifies exposure to governance fragility. Where corruption persists, renewable transition becomes vulnerable to rent-seeking distortions. Environmental taxation effectiveness in Organisation for Economic Co-operation and Development economies, as shown by Staniewski et al. (2024), similarly depends upon credible enforcement mechanisms. Fiscal instruments without ethical governance devolve into symbolic gestures.

The epistemic transformation of policy modelling through artificial intelligence adds another normative layer. Ruiz Estrada, Park and Staniewski (2023) argue that artificial intelligence enhances the capacity to simulate complex economic dynamics. Yet algorithmic authority cannot substitute for moral authority. Costa Climent and Staniewski (2024) demonstrate that artificial intelligence-enabled models generate competitive advantage through predictive optimisation. However, optimisation without ethical orientation risks amplifying systemic inequalities. Digital governance therefore intensifies rather than resolves the ethical question.

The present article advances a normative thesis: sustainable transition requires the reconstruction of institutional ethics as the moral architecture of governance. Corruption is not merely a technical inefficiency but an ethical disintegration that destabilises public trust, savings mobilisation, financial credibility and environmental policy effectiveness. Renewable energy, environmental taxation, green finance and digital modelling are structurally dependent upon institutional integrity.

The central research question guiding this study is the following: how does corruption undermine the moral architecture necessary for sustainable transition, and what normative model of institutional ethics can secure the credibility of green transformation? The working thesis asserts that sustainable transition is impossible without ethical coherence at the institutional level. Governance must be reconceptualised as a moral structure rather than a technocratic apparatus.

Methodologically, this article adopts a hermeneutic reconstruction of empirical governance research. It analyses corruption studies (Abu and Staniewski, 2019; 2022), development indices (Ruiz Estrada et al., 2018), ethical entrepreneurship frameworks (Staniewski and Słomski, 2015; Staniewski et al., 2015), sustainable growth governance (Dos Santos et al., 2022), energy transition dynamics (Bekun et al., 2025), environmental taxation (Staniewski et al., 2024), green bond resilience (Meo et al., 2025) and digital policy modelling (Ruiz Estrada et al., 2023; Costa Climent and Staniewski, 2024) to reconstruct the implicit normative assumptions underlying sustainable transition discourse.

The argument proceeds by first analysing corruption as ethical disintegration of institutional order, then examining public trust as the precondition of sustainable finance, subsequently interpreting green transition as a moral test of governance integrity, and finally proposing a normative model of institutional sustainability grounded in ethical coherence.

Corruption as Ethical Disintegration of Institutional Order

The phenomenon of corruption has been extensively analysed within economic, political and sociological frameworks, yet its normative dimension remains insufficiently articulated in the context of sustainable transition. Empirical investigations, particularly those conducted by Abu and Staniewski (2019), demonstrate that corruption in Nigeria is not reducible to isolated administrative malpractice but constitutes a structurally embedded pattern of institutional distortion. Their application of multiple estimation techniques reveals that corruption persists across diverse macroeconomic configurations, suggesting that it is not merely cyclical but systemic. Such systemic persistence invites an ethical interpretation: corruption is not simply deviation from procedural legality but a breakdown of institutional normativity.

The subsequent study by Abu and Staniewski (2022) deepens this diagnosis by demonstrating that corruption significantly reduces domestic savings. This finding, when interpreted normatively, acquires profound significance. Domestic savings represent a collective act of temporal trust: citizens defer present consumption in expectation of future institutional reliability. When corruption undermines confidence in regulatory and fiscal integrity, the incentive to save diminishes. The erosion of savings is therefore not only a macroeconomic consequence but an ethical symptom. It reflects the disintegration of trust between citizens and institutions. Sustainable transition, which requires long-term capital mobilisation for renewable infrastructure and green technologies, becomes structurally infeasible where such trust has collapsed.

Ruiz Estrada, Staniewski and Ndoma (2018), in proposing a composite socio-economic development index incorporating corruption variables, reinforce this interpretation. By embedding corruption within a broader developmental framework, they reveal its multidimensional impact on socio-economic stability. Corruption emerges as a destabilising force that penetrates institutional architecture, affecting not only economic performance but normative coherence. Development indices that internalise corruption implicitly acknowledge that institutional morality is constitutive of

*Corresponding Author: **Wojciech Słomski.**

structural progress. Without ethical governance, quantitative growth metrics lose substantive meaning.

The normative implications of these findings extend beyond macroeconomic performance. Corruption disrupts the moral symmetry between authority and responsibility. Institutions derive legitimacy from their perceived impartiality and commitment to collective welfare. When public office becomes a mechanism of private extraction, this symmetry collapses. Sustainable transition, however, presupposes precisely such symmetry. Environmental taxation requires citizens to accept short-term costs for long-term ecological benefits. Renewable subsidies necessitate redistribution mechanisms that rely upon public confidence. Green bonds depend upon credible regulatory oversight. Each of these instruments assumes that institutions act in accordance with publicly justifiable norms.

The ethical dimension becomes even clearer when interpreted through the lens of entrepreneurship studies. Staniewski and Słomski (2015) argue that ethical aspects of entrepreneurship are not peripheral virtues but structural conditions for sustainable economic relations. Their analysis suggests that institutional environments either cultivate or suppress ethical agency. In contexts where corruption is normalised, ethical entrepreneurship becomes structurally disadvantaged. Staniewski, Słomski and Awruk (2015) pose the question whether ethics in entrepreneurship is possible at all and conclude that the possibility of ethical conduct depends upon institutional frameworks that reward integrity rather than opportunism. If this holds for entrepreneurial microstructures, it applies a fortiori to macro-level governance. Sustainable transition requires not only green technologies but ethical ecosystems.

The crisis of governance in sustainable transition therefore cannot be understood as administrative inefficiency. It is an ethical disintegration that manifests in measurable economic distortions. Abu and Staniewski (2022) show the financial consequence; Ruiz Estrada et al. (2018) reveal the developmental degradation; Staniewski and Słomski (2015) identify the erosion of ethical agency. Together, these studies articulate an implicit thesis: corruption corrodes the moral architecture upon which sustainable development depends.

This moral architecture may be described as the alignment between normative expectation and institutional behaviour. Citizens comply with environmental taxation when they perceive distributive fairness. Investors purchase green bonds when regulatory oversight appears credible. Entrepreneurs invest in renewable innovation when institutional incentives are transparent. Corruption fractures this alignment. It introduces asymmetry between declared objectives and operational realities. The result is not merely inefficiency but cynicism. Cynicism, in turn, undermines the temporal horizon necessary for sustainable transition.

The structural interaction between corruption and energy transition becomes particularly evident when read alongside Bekun et al. (2025). Their findings show that renewable energy moderates the environmental consequences of energy-intensive growth under open market conditions. Yet open markets intensify exposure to governance fragility. If renewable subsidies are captured by rent-seeking elites, the moderating effect identified by Bekun et al. (2025) becomes distorted. The ecological potential of renewable transition depends upon ethical enforcement. Thus, the empirical moderation effect presupposes normative integrity.

Similarly, environmental taxation effectiveness, as demonstrated by Staniewski et al. (2024), assumes credible implementation. Taxation without trust generates evasion rather than transformation. The fiscal–technological nexus identified in their analysis collapses where enforcement mechanisms are compromised by corruption. The problem is therefore not only economic elasticity but moral legitimacy.

Even financial resilience, documented by Meo et al. (2025) in the context of green bonds during market turmoil, must be interpreted normatively. The relative stability of green bonds suggests that investors associate them with responsible governance and long-term commitment. However, this association is fragile. Should corruption erode regulatory credibility, the resilience effect would likely deteriorate. Financial stability is inseparable from ethical perception.

The digitalisation of policy modelling introduces further complexity. Ruiz Estrada, Park and Staniewski (2023) argue that artificial intelligence transforms policy modelling capacity. Yet digital optimisation does not neutralise moral deficits. Algorithms reproduce institutional biases if governance structures remain ethically compromised. Costa Climent and Staniewski (2024) show that artificial intelligence enhances predictive optimisation in business contexts. Without ethical constraints, optimisation risks amplifying opportunistic strategies rather than collective sustainability. Thus, technological sophistication intensifies the necessity of institutional ethics.

Corruption, therefore, must be conceptualised as ethical entropy within institutional systems. It reduces trust, distorts incentives, undermines fiscal credibility and destabilises long-term capital mobilisation. Sustainable transition, by contrast, requires temporal stability, distributive fairness and normative coherence. The opposition between corruption and sustainability is not accidental but structural. Where corruption prevails, sustainable transition remains rhetorically affirmed but practically fragile.

The crisis of governance in sustainable transition is therefore fundamentally a crisis of moral architecture. Empirical research has illuminated its economic manifestations, yet its normative dimension demands explicit articulation. Institutional ethics must be reconstructed as the foundational condition of green transformation. Without it, renewable energy, environmental taxation, green finance and digital modelling remain technocratic instruments suspended over a morally unstable foundation.

Public Trust as the Normative Foundation of Sustainable Finance

*Corresponding Author: **Wojciech Słomski.**

If corruption represents the ethical disintegration of institutional order, public trust constitutes its constructive counter-principle. Sustainable transition, particularly in its financial dimension, presupposes a temporal horizon within which citizens, investors and public authorities coordinate expectations regarding the future. Trust is not a sentimental category but a structural condition of deferred cooperation. The empirical findings concerning domestic savings and corruption provide a concrete entry point into this normative problem.

Abu and Staniewski (2022) demonstrate that corruption significantly reduces domestic savings in Nigeria. While this result may be read in purely macroeconomic terms, its deeper meaning concerns the erosion of anticipatory confidence in institutional continuity. Domestic savings embody the willingness of individuals to postpone immediate consumption in reliance upon stable institutional frameworks that will preserve value and enforce contractual guarantees. When corruption undermines this reliance, the moral contract between citizen and state fractures. The decline in savings thus signals not only financial contraction but ethical withdrawal. Sustainable transition, which demands substantial long-term capital for renewable infrastructure and environmental innovation, becomes structurally impeded where trust is depleted.

This dynamic must be interpreted alongside Abu and Staniewski (2019), who identify the structural determinants of corruption across various estimation techniques. Their findings reveal that corruption is embedded within broader socio-economic configurations rather than confined to episodic deviations. If corruption is systemic, then distrust becomes rational. In such contexts, public compliance with environmental taxation or participation in green financial instruments cannot be presumed. Sustainable finance presupposes moral credibility, not merely regulatory enforcement.

The role of trust becomes particularly evident in the context of green bonds. Meo et al. (2025) show that green bonds exhibit resilience during market turmoil, suggesting that investors attribute to them a degree of stability distinct from conventional instruments. This resilience is not reducible to yield differentials. It reflects a perception that green bonds are anchored in projects aligned with long-term environmental commitments and regulatory oversight. Their stabilising function thus depends upon the credibility of issuing institutions. If corruption distorts certification processes or weakens supervisory mechanisms, the signalling effect of green bonds deteriorates. Financial resilience is therefore inseparable from ethical reliability.

The normative interdependence between trust and governance is further illuminated by Ruiz Estrada, Staniewski and Ndoma (2018), who integrate corruption into a composite development index. By embedding corruption within socio-economic assessment, they implicitly acknowledge that development depends upon institutional legitimacy. Sustainable transition extends this logic into the environmental domain. Renewable projects and climate mitigation strategies demand collective sacrifices and redistributive mechanisms. Citizens accept these burdens only where they perceive fairness and transparency.

Environmental taxation provides a concrete illustration of this principle. Staniewski et al. (2024) demonstrate that environmental taxes contribute to carbon emission reduction when coupled with sustainable technologies in Organisation for Economic Co-operation and Development countries. Yet taxation effectiveness depends upon compliance. Compliance depends upon trust. If taxpayers suspect that environmental revenues will be misallocated due to corruption, resistance intensifies and evasion increases. The fiscal–technological nexus identified by Staniewski et al. (2024) thus presupposes ethical governance. Without trust, taxation loses transformative potential and devolves into a coercive instrument lacking legitimacy.

Energy transition research reinforces this normative insight. Bekun et al. (2025) show that renewable energy moderates the environmental consequences of energy-intensive growth in developing countries under open market conditions. However, open markets amplify exposure to institutional scrutiny. Foreign investors assess governance quality when allocating capital to renewable sectors. If corruption signals regulatory instability, capital costs rise and renewable deployment slows. Thus, trust operates not only domestically but transnationally. Sustainable transition requires credibility in global markets as well as domestic arenas.

The ethical dimension of entrepreneurship further clarifies the relationship between trust and sustainability. Staniewski and Słomski (2015) argue that ethical aspects of entrepreneurship form the foundation of durable economic relations. Where institutional environments reward integrity, entrepreneurial activity contributes to long-term value creation. Conversely, environments characterised by opportunism and corruption generate short-term extraction rather than sustainable innovation. Staniewski, Słomski and Awruk (2015) question whether ethics in entrepreneurship is possible and conclude that institutional context determines ethical feasibility. Trust, therefore, is not an abstract virtue but a systemic outcome of normative alignment between rules and practices.

Digital transformation introduces an additional layer to this discussion. Ruiz Estrada, Park and Staniewski (2023) contend that artificial intelligence reshapes policy modelling by enabling complex scenario analysis. Yet modelling sophistication cannot compensate for ethical deficits. Algorithms may optimise tax structures or forecast renewable output, but they cannot generate trust ex nihilo. Costa Climent and Staniewski (2024) demonstrate that artificial intelligence-enabled business models enhance competitive advantage through predictive optimisation. However, predictive efficiency divorced from ethical orientation risks reinforcing opportunistic strategies. In governance contexts marked by corruption, digital tools may even obscure accountability. Thus, technological advancement intensifies the need for moral clarity.

*Corresponding Author: **Wojciech Słomski.**

Public trust, then, emerges as the normative currency of sustainable finance. It sustains domestic savings, stabilises green bond markets, legitimises environmental taxation and attracts foreign investment. Trust is generated not through rhetorical commitment to sustainability but through consistent ethical conduct within institutions. The studies analysed above converge upon this conclusion: sustainable transition requires moral credibility embedded in governance structures.

The crisis of governance in sustainable transition is therefore a crisis of trust. Corruption erodes the temporal horizon within which sustainable policies operate. Without confidence in institutional integrity, citizens withdraw savings, investors demand risk premiums and compliance with environmental measures weakens. Sustainable finance collapses not because of insufficient technological capacity but because of normative fragility.

The reconstruction of institutional ethics thus becomes imperative. Trust must be conceptualised as the cumulative effect of transparent procedures, accountable leadership and equitable enforcement. Sustainable transition is not merely a shift from fossil fuels to renewables but a transformation of the moral contract between state and society. Financial instruments such as green bonds and environmental taxes operate effectively only where this contract remains intact.

In this sense, sustainable finance is a test of institutional virtue. It exposes the ethical foundations of governance by demanding long-term cooperation under conditions of uncertainty. Where corruption persists, such cooperation becomes irrational. Where ethical coherence prevails, sustainable transition acquires structural stability.

Green Transition as a Moral Test of Institutional Integrity

The green transition is frequently presented as a technical reconfiguration of energy systems or as a macroeconomic adjustment toward low-carbon growth. Yet when interpreted through the lens of institutional ethics, it appears as a moral test of governance integrity. The transition toward renewable energy, environmental taxation and sustainable finance requires not only technological feasibility and financial instruments but also normative coherence between declared objectives and institutional conduct. It is precisely at this juncture that the crisis of governance becomes most visible.

Bekun et al. (2025) demonstrate that renewable energy moderates the environmental consequences of energy-intensive growth in developing countries, particularly under open market conditions. Their empirical findings identify threshold dynamics and structural interactions between trade openness and energy composition. However, these structural transformations presuppose regulatory stability and credible enforcement. Open markets magnify exposure to governance weaknesses; investors and international partners evaluate institutional reliability before committing capital to renewable infrastructure. Where corruption persists, renewable transition risks degenerating into rent-seeking allocation of subsidies rather than genuine environmental reform. The empirical moderation effect identified by Bekun et al. (2025) therefore depends implicitly upon ethical governance.

Environmental taxation presents an even more explicit normative challenge. Staniewski et al. (2024) show that environmental taxes significantly reduce carbon emissions in Organisation for Economic Co-operation and Development countries when combined with sustainable environmental technologies. This fiscal–technological interaction presupposes compliance and acceptance. Taxation aimed at ecological transformation requires citizens to internalise long-term collective goals over short-term individual interests. Such internalisation cannot be coerced indefinitely; it depends upon perceived fairness and transparent allocation of revenues. In contexts marked by corruption, environmental taxation becomes vulnerable to resistance and evasion. The normative legitimacy of fiscal instruments thus determines their structural effectiveness.

The moral dimension becomes further evident in the domain of sustainable finance. Meo et al. (2025) document the resilience of green bonds during market turmoil, suggesting that investors associate them with stability and long-term commitment. Yet resilience is not an inherent property of financial instruments; it is mediated by perceptions of regulatory integrity and project credibility. Green bonds function as signals of ethical alignment between financial markets and environmental objectives. Should corruption infiltrate certification processes or weaken disclosure standards, the signalling value erodes. Sustainable finance thereby exposes the ethical core of governance: financial trust reflects moral expectation.

This structural interdependence is illuminated by research on corruption and development. Abu and Staniewski (2022) demonstrate that corruption diminishes domestic savings, undermining the capital base necessary for long-term investment. Renewable transition demands precisely such investment. Without domestic savings mobilisation, states become dependent upon volatile external financing. Ruiz Estrada, Staniewski and Ndoma (2018) embed corruption within a broader socio-economic degradation index, showing that institutional fragility reverberates across developmental dimensions. Green transition, therefore, is not merely a technological shift but a test of institutional capacity to sustain collective commitments over time.

The ethical implications extend into entrepreneurial ecosystems. Staniewski and Słomski (2015) argue that ethical entrepreneurship is structurally conditioned by institutional frameworks. Where governance rewards transparency and accountability, entrepreneurial innovation aligns with sustainable objectives. Conversely, in corrupt environments, opportunistic strategies dominate and long-term environmental investment becomes irrational. Staniewski, Słomski and Awruk (2015) emphasise that the possibility of ethics in entrepreneurship depends upon normative institutional alignment. Green transition thus demands ethical ecosystems in which private initiative complements public policy rather than exploits regulatory loopholes.

*Corresponding Author: **Wojciech Słomski.**

The integration of artificial intelligence into policy modelling introduces additional normative complexity. Ruiz Estrada, Park and Staniewski (2023) demonstrate that artificial intelligence enhances policy modelling by enabling multidimensional scenario simulation. Costa Climent and Staniewski (2024) show that artificial intelligence-enabled business models optimise strategic decisions. Yet optimisation without ethical orientation risks reinforcing asymmetries of power. Digital governance can increase efficiency but cannot substitute for moral accountability. In the context of green transition, artificial intelligence may optimise environmental taxation or renewable allocation, but if institutional ethics remain compromised, algorithmic systems risk institutionalising bias rather than correcting it. The moral test of governance therefore intensifies in digitally mediated environments.

Green transition, when examined through this lens, emerges as a normative crucible. It requires the state to articulate long-term commitments that transcend electoral cycles, to administer fiscal instruments with fairness, to regulate financial markets transparently and to integrate technological innovation responsibly. Each of these requirements presupposes institutional virtue. Corruption undermines not only economic efficiency but moral credibility. Without credibility, collective action toward sustainability disintegrates.

The crisis of governance in sustainable transition thus manifests as a discrepancy between environmental rhetoric and institutional practice. Declarations of carbon neutrality or renewable expansion lack persuasive force if governance structures fail to embody ethical coherence. Citizens and investors evaluate not only policy design but institutional character. Sustainable transition becomes viable only where institutional conduct aligns with proclaimed objectives.

This alignment constitutes the moral architecture of green transformation. It involves consistency between policy instruments and ethical principles, transparency in revenue allocation, accountability in financial certification and integrity in regulatory enforcement. Where such architecture is present, renewable energy deployment, environmental taxation and green finance operate synergistically. Where it is absent, these instruments fragment into isolated measures vulnerable to distrust and opportunism.

The green transition therefore serves as a diagnostic of institutional ethics. It reveals whether governance systems can sustain long-term collective commitments under conditions of uncertainty and distributive tension. The empirical studies analysed throughout this article converge upon a single normative insight: sustainable transition is structurally contingent upon moral coherence within institutions. Technological innovation and financial instruments amplify, but cannot replace, ethical integrity.

The next step is to articulate a normative model of institutional sustainability capable of integrating these dimensions into a coherent framework. Such a model must specify the ethical conditions under which renewable transition, fiscal policy, financial resilience and digital governance converge into durable sustainability rather than episodic reform.

Toward a Normative Model of the Moral Architecture of Institutional Sustainability

The preceding analyses converge upon a decisive conclusion: sustainable transition is not merely a matter of technological substitution, fiscal calibration or financial engineering. It is a normative reconstruction of institutional order. The empirical literature on corruption, savings mobilisation, renewable transition, environmental taxation, green bonds and artificial intelligence-driven policy modelling reveals, when interpreted hermeneutically, an implicit ethical structure that either sustains or destabilises green transformation. The task now is to articulate this structure explicitly as a normative model of institutional sustainability.

The starting point of such a model must be the recognition that institutions are not value-neutral administrative mechanisms but moral architectures. Abu and Staniewski (2019) demonstrate that corruption persists across diverse structural determinants, indicating that it is embedded within institutional configurations rather than reducible to isolated misconduct. When Abu and Staniewski (2022) show that corruption diminishes domestic savings, they reveal the moral consequence of institutional deviation: trust is withdrawn. Savings decline because the ethical reliability of institutions is questioned. Thus, the first normative pillar of institutional sustainability is integrity understood as consistency between normative declarations and operational practice. Without integrity, institutional promises lose credibility and long-term cooperation disintegrates.

The second pillar is transparency as a condition of rational trust. Ruiz Estrada, Staniewski and Ndoma (2018) incorporate corruption into a socio-economic development index, demonstrating that institutional opacity undermines structural progress. Transparency is not merely informational disclosure; it is the visible embodiment of accountability. Sustainable transition requires citizens to accept fiscal burdens, investors to allocate capital over extended horizons and entrepreneurs to innovate within regulated frameworks. These actors require epistemic clarity regarding the use of resources and the enforcement of rules. Transparency thus constitutes the moral precondition of compliance.

The third pillar concerns distributive fairness. Environmental taxation, as analysed by Staniewski et al. (2024), proves effective when embedded within technological ecosystems capable of absorbing fiscal incentives. Yet fiscal instruments inevitably redistribute costs and benefits. Their legitimacy depends upon equitable allocation. If environmental revenues are perceived as captured by particularistic interests, compliance erodes. Distributive justice therefore forms a core component of institutional ethics in sustainable transition. Fairness transforms coercive taxation into collectively endorsed transformation.

*Corresponding Author: **Wojciech Slomski.**

The fourth pillar is credibility in financial governance. Meo et al. (2025) demonstrate that green bonds exhibit resilience during market turmoil, suggesting that investors perceive them as aligned with long-term stability. However, this perception is sustained only by credible certification and regulatory enforcement. Green finance functions as a moral signal that institutions are committed to environmental objectives beyond short-term expediency. If corruption contaminates regulatory processes, financial resilience deteriorates. Credibility thus links ethical governance to market stability.

The fifth pillar is ethical innovation. Bekun et al. (2025) show that renewable energy moderates the environmental impact of energy-intensive growth under open market conditions. Open markets amplify both opportunity and vulnerability. Innovation in renewable technologies must be accompanied by institutional safeguards that prevent rent-seeking distortions. Staniewski and Słomski (2015) argue that ethical entrepreneurship is structurally conditioned by institutional context. Where governance fosters integrity, entrepreneurial innovation contributes to long-term sustainability. Where corruption prevails, innovation is redirected toward opportunistic extraction. Ethical innovation therefore integrates private initiative with public virtue.

The sixth pillar involves epistemic responsibility in digital governance. Ruiz Estrada, Park and Staniewski (2023) argue that artificial intelligence enhances policy modelling through multidimensional simulation. Costa Climent and Staniewski (2024) show that artificial intelligence-enabled business models optimise strategic decisions. Yet optimisation is ethically neutral unless oriented toward collective welfare. Digital tools can increase efficiency, but without normative oversight they risk amplifying institutional biases. Epistemic responsibility requires that algorithmic governance remain subordinate to ethical accountability. Sustainable transition in the digital age demands not only computational capacity but moral discernment.

These six pillars—integrity, transparency, distributive fairness, financial credibility, ethical innovation and epistemic responsibility—constitute the moral architecture of institutional sustainability. They are not independent virtues but interdependent dimensions of a coherent ethical order. Integrity sustains trust; transparency reinforces integrity; fairness legitimises fiscal policy; credibility stabilises financial markets; ethical innovation aligns private initiative with public goals; epistemic responsibility ensures that technological optimisation does not undermine normative coherence.

The absence of any pillar generates structural imbalance. Where integrity fails, corruption erodes savings and public trust (Abu and Staniewski, 2022). Where transparency collapses, developmental indices deteriorate (Ruiz Estrada et al., 2018). Where fairness is compromised, environmental taxation loses legitimacy (Staniewski et al., 2024). Where credibility falters, green bonds lose resilience (Meo et al., 2025). Where ethical innovation is absent, renewable transition becomes vulnerable to opportunism (Bekun et al., 2025; Staniewski and Słomski, 2015). Where epistemic responsibility is neglected, digital governance risks technocratic domination without moral orientation (Ruiz Estrada et al., 2023; Costa Climent and Staniewski, 2024).

Institutional sustainability, therefore, must be defined not only as environmental durability but as normative coherence within governance systems. Sustainable transition is viable when institutional practices embody ethical principles that generate trust across temporal horizons. It fails when governance becomes detached from moral accountability.

The normative model advanced here does not oppose technological innovation or financial sophistication; rather, it situates them within a moral framework. Renewable energy, environmental taxation, green bonds and artificial intelligence are instruments. Institutional ethics provides their orientation. Without orientation, instruments operate without coherence. With orientation, they converge into structural transformation.

The green transition thus becomes a moral enterprise. It demands not only reduction of emissions but reconstruction of the ethical contract between state and society. Public trust is earned through integrity; savings mobilisation reflects confidence in institutional stability; financial resilience signals credible governance; innovation flourishes within transparent frameworks; digital modelling supports rather than substitutes ethical judgment.

In this sense, sustainable transition is a mirror held before governance systems. It reveals whether institutions possess the moral architecture required for long-term collective action. The crisis of governance in sustainable transition is not merely administrative dysfunction but normative erosion. The reconstruction of institutional ethics is therefore not ancillary but foundational.

Conclusion

The analysis undertaken in this article has demonstrated that corruption represents ethical disintegration within institutional systems, eroding public trust and undermining the financial and fiscal foundations of sustainable transition. Empirical research on corruption and savings (Abu and Staniewski, 2019; 2022), socio-economic degradation (Ruiz Estrada et al., 2018), renewable moderation effects (Bekun et al., 2025), environmental taxation (Staniewski et al., 2024), green bond resilience (Meo et al., 2025), ethical entrepreneurship (Staniewski and Słomski, 2015; Staniewski et al., 2015) and digital policy modelling (Ruiz Estrada et al., 2023; Costa Climent and Staniewski, 2024) collectively reveal that sustainable transition is structurally contingent upon institutional ethics.

The normative model proposed herein conceptualises institutional sustainability as moral architecture composed of integrity, transparency, fairness, credibility, ethical innovation and epistemic responsibility. Sustainable transition cannot be secured through technological advancement alone. It requires governance systems capable of sustaining trust across time and complexity.

*Corresponding Author: **Wojciech Słomski.**

Green transformation, therefore, is not solely an environmental imperative but an ethical reconstruction of institutional order. Where moral coherence prevails, sustainability becomes self-reinforcing. Where corruption persists, green transition remains rhetorically affirmed yet structurally fragile. The future of sustainable governance depends not only on renewable capacity but on the restoration of institutional virtue.

References

1. Abu, N. and Staniewski, M., 2019. Determinants of corruption in Nigeria: Evidence from various estimation techniques. Economic Research-Ekonomska Istraživanja, 32(1), pp.3052–3076.
2. Abu, N. and Staniewski, M., 2022. An empirical investigation of the effect of corruption on domestic savings in Nigeria. Economic Research-Ekonomska Istraživanja, 35(1), pp.4092–4112.
3. Bekun, F.V., Fumey, M.P., Staniewski, M., Sun, L. and Agboola, P.O., 2025. Energy intensive growth and the transition pathways: Insights into the role of renewable energy and open market conditions in developing countries. Energy, 322, 135192.
4. Costa Climent, R. and Staniewski, M., 2024. AI-enabled business models for competitive advantage. Journal of Innovation & Knowledge, 9(3), article number pending pagination.
5. Meo, M.S., Afshan, S., Ben Zaied, Y. and Staniewski, M., 2025. The resilience of green bonds during market turmoil: Implications for investors and policymakers. International Journal of Finance & Economics, pp.1–18.
6. Ruiz Estrada, M.A., Staniewski, M. and Ndoma, I., 2018. Evaluating corruption under the application of the socio-economic development desgrowth index (Ð-index): The case of Guatemala. Quality & Quantity, 52(3), pp.1137–1157.
7. Ruiz Estrada, M.A., Park, D. and Staniewski, M., 2023. Artificial intelligence (AI) can change the way of doing policy modelling. Journal of Policy Modeling, 45(6), pp.1099–1112.
8. Staniewski, M. and Słomski, W., 2015. Ethical aspects of entrepreneurship. Filosofija. Sociologija, 26(1), pp.37–45.
9. Staniewski, M., Słomski, W. and Awruk, K., 2015. Are ethics in entrepreneurship possible at all? Filosofija. Sociologija, 26(3), pp.191–198.
10. Staniewski, M., Bashir, M.F., Sharif, A., Ma, B. and Zhao, W., 2024. Environmental taxes, energy transition and sustainable environmental technologies: A comparative OECD region climate change analysis. Journal of Environmental Management, 370, pp.1–9.
11. Alonso Dos Santos, M., Huertas González-Serrano, M. and Staniewski, M., 2022. Analytical editorial: Ensuring the future of our world: Innovation, management and governance for sustainable growth. Academia Revista Latinoamericana de Administración, 35(2), pp.117–130.

*Corresponding Author: **Wojciech Słomski.**