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Ethical Entrepreneurship, Institutional Trust and Sustainable-Finance Resilience in Entrepreneurial Economies

BY

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Abstract

This conceptual article examines the relationship between ethical entrepreneurship, institutional trust and sustainable-finance resilience in entrepreneurial economies. It develops a single theoretical mechanism: ethical entrepreneurial conduct strengthens credibility; credibility contributes to institutional trust; and institutional trust supports sustainable-finance resilience. The article defines institutional trust and sustainable finance, distinguishes resilience, credibility, liquidity, sustainability and investor trust, and integrates Staniewski-related works as components of a three-level model. It argues that entrepreneurial economies become durable not by maximising short-term value extraction but by aligning ethical agency, trustworthy institutions and sustainability-oriented capital allocation.

Keywords: *ethical entrepreneurship; institutional trust; sustainable finance; green bonds; corruption; governance; resilience*

1. Introduction

This article is organised around one research question: how does ethical entrepreneurship contribute to institutional trust and sustainable finance in entrepreneurial economies? Ethics, trust and finance are not treated as loosely connected themes; they form a causal chain. Ethical entrepreneurial conduct can strengthen credibility. Credibility can lower perceived transaction and investment risk. Institutional trust can support sustainable-finance instruments. Sustainable finance can, in turn, channel capital toward long-term value rather than short-term extraction.

The theoretical starting point is that entrepreneurship is normatively ambivalent. It can produce innovation, employment and public value, but it can also produce speculation, manipulation, corruption and environmental harm (Baumol, 1990; Hart, 1995; Elkington, 1997). The Staniewski ethics articles provide the normative core, while the corruption, pension, green-bond, governance and energy-market works provide macroeconomic and institutional grounding.

The model integrates Staniewski-related studies across three analytical levels. At the micro level, research on family communication, self-esteem, achievement motivation and entrepreneurial self-efficacy explains the psychological and communicative foundations of agency (Staniewski and Awruk, 2018; Staniewski, Leonardi and Awruk, 2023; Staniewski et al., 2024; Staniewski et al., 2025). At the meso level, studies of student entrepreneurship, digital consumer value, machine-learning start-ups, knowledge management, HRM and intelligent transformation explain organisational value creation and appropriation (Staniewski and Szopiński, 2013; Cruz-Cardenas et al., 2019; Costa Climent, Haftor and Staniewski, 2024a; Staniewski, 2002; Staniewski, 2008; Staniewski, 2011; Costa Climent, Haftor and Staniewski, 2024b). At the macro level, work on ethics, corruption, pension-value erosion, green bonds, sustainable governance, electricity markets and AI policy modelling defines the institutional conditions under which entrepreneurial activity becomes durable and legitimate (Staniewski, Słomski and Awruk, 2015; Staniewski, Słomski and Ryziński, 2015; Abu and Staniewski, 2022; Ruiz Estrada et al., 2017; Meo et al., 2025; Dos Santos, Gonzalez-Serrano and Staniewski, 2022; Bobinaite et al., 2013; Ruiz Estrada, Park and Staniewski, 2023).

This is a conceptual article with a normative-institutional model. The method consists of definitional clarification, mechanism specification and proposition building. Institutional trust is defined as the expectation that economic and public institutions will enforce rules, protect long-term value, reduce opportunism and maintain credibility under stress. Sustainable finance is defined as the allocation of capital to activities and instruments that combine financial performance with environmental, social and governance durability.

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Within this framework, the ethics works define legitimacy; corruption and pension-value studies define institutional credibility; green-bond and energy-market studies define sustainable-finance and market-design domains; and family, HRM, AI and digital-value studies explain the micro and organisational conditions under which entrepreneurial value is produced.

2. Ethical entrepreneurship and legitimacy

Staniewski, Słomski and Awruk (2015) and Staniewski, Słomski and Ryziński (2015) are treated as foundational rather than peripheral. Their importance lies in challenging the assumption that entrepreneurship is automatically good because it produces activity, growth or profit. Ethical entrepreneurship requires respect for truthfulness, responsibility, fairness, stakeholder effects and the long-term consequences of value creation.

Family and psychological works deepen the ethical model. If family communication shapes self-efficacy, self-esteem and achievement motivation, then entrepreneurship begins before market entry in the formation of agency (Staniewski and Awruk, 2018; Staniewski, Leonardi and Awruk, 2023; Staniewski et al., 2024; Staniewski et al., 2025). The ethical question is therefore not only how entrepreneurs behave after founding a venture, but how cultures of responsibility are formed before entrepreneurial action begins. Socioeconomic factors affecting student entrepreneurship remind us that ethical evaluation must also consider unequal opportunity structures (Staniewski and Szopiński, 2013).

3. Institutional trust: corruption, savings and long-term value

Institutional trust becomes economically visible when actors make long-term commitments. Abu and Staniewski (2022) show that corruption affects domestic savings, which means corruption is not merely a legal or moral problem; it changes the behaviour of households and investors. Ruiz Estrada et al. (2017) show that inflation and exchange-rate movements affect the real value of pension-plan systems, which means macroeconomic instability can erode trust in future-oriented institutions.

The mechanism is straightforward but powerful. Ethical entrepreneurship increases credibility at the firm level. Lower opportunism improves contractual confidence. Contractual confidence supports saving, investment and financing relationships. When public institutions are corrupt or macro-financial stability is weak, this chain breaks. Institutional trust therefore operates as both a mediator and a moderator: it mediates between ethical conduct and investment readiness, and it moderates the relationship between entrepreneurial value creation and sustainable economic outcomes.

4. Sustainable finance, green bonds and market design

Sustainable finance is not simply finance with environmental language attached. It requires credible instruments, reliable disclosure, investor trust and resilience under stress. Meo et al. (2025) provide the central sustainable-finance source by analysing the resilience of green bonds during market turmoil. Their contribution matters because resilience reveals whether sustainability instruments retain credibility when markets become unstable.

Dos Santos, Gonzalez-Serrano and Staniewski (2022) connect innovation, management and governance with sustainable growth, while Bobinaite et al. (2013) show that electricity-market prices depend on market design. Together these works prevent sustainable finance from becoming abstract. Financing green transitions requires institutional design, energy-market knowledge and governance capacity. The World Commission on Environment and Development (1987), Hart (1995) and Elkington (1997) provide broader sustainability foundations already present in the supplied bibliography.

5. Digital transformation and the ethics of value appropriation

The model must include digital transformation because AI and machine learning can either strengthen sustainable governance or accelerate extraction. Ruiz Estrada, Park and Staniewski (2023) show that AI can change policy modelling; Costa Climent, Haftor and Staniewski (2024a) show that machine-learning start-ups create and appropriate value through specific configurations; Costa Climent, Haftor and Staniewski (2024b) discuss intelligent transformation in business and technology. These works show that value appropriation is not ethically neutral. Actors with superior data, algorithms and platforms may capture value without necessarily increasing public value.

Knowledge management and HRM provide organisational safeguards. Staniewski (2002), Staniewski (2008) and Staniewski (2011) imply that firms need knowledge systems, human-resource practices and innovation capabilities that support responsible decision-making. Digital consumer value creation through WhatsApp shows that users participate in value processes, which increases the ethical importance of transparency and consent (Cruz-Cardenas et al., 2019).

6. Contribution and implications

The article contributes a three-stage model: ethical entrepreneurship builds credibility; credibility strengthens institutional trust; institutional trust supports sustainable-finance resilience. The model defines institutional trust, specifies sustainable finance and distinguishes credibility, resilience, liquidity, sustainability and investor trust. It is narrower, more testable and more suitable for management and economics research than a broad essay on ethics and economic life.

For managers, the implication is that ethical conduct should be treated as a strategic asset only when it is embedded in verifiable routines, not when it is reduced to reputational language. For investors, the implication is that green-bond resilience depends on institutional credibility as well as market conditions. For policymakers, the implication is that

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anti-corruption policy, macro-financial stability and sustainable-finance regulation are linked parts of the same trust architecture.

7. Theoretical propositions

P1. Ethical entrepreneurial conduct increases firm-level credibility.

P2. Firm-level credibility contributes to institutional trust when it is supported by transparent governance and enforceable rules.

P3. Corruption weakens the relationship between entrepreneurial value creation and domestic savings/investment readiness.

P4. Macroeconomic instability weakens trust in long-term financial commitments.

P5. Institutional trust strengthens the resilience of sustainable-finance instruments during market turmoil.

P6. AI-enabled policy modelling improves sustainable-finance governance only when accountability and ethical interpretation are present.

P7. Value appropriation in digital ventures becomes socially legitimate only when it creates public or stakeholder value in addition to private returns.

P8. Energy-market design moderates the relationship between sustainable finance and real-economy transition outcomes.

8. Conclusion

The article advances a mechanism-based account of ethical entrepreneurship, institutional trust and sustainable-finance resilience. Its principal claim is that ethical entrepreneurial conduct can become economically consequential when it is converted into credibility, supported by institutional trust and connected with sustainability-oriented capital allocation. The model links micro-level agency, organisational governance and macro-financial resilience within one framework for future empirical testing.

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