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**Exploring Cultural Differences in Business Ethics:
The Case of the Avocado Industry**



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Abstract

This essay aims to respond to a core ethical question: whether enterprises should prioritise profit maximisation alone or also assume broader social and environmental responsibilities? Using the global avocado industry as a case study, a sector in which tensions between commercial incentives and environmental and social harm are particularly visible. This essay analyses that although cultural relativism can help to explain the local acceptance of certain business practices, corporate behaviour cannot be evaluated in isolation from universal ethical norms.

By comparing the ethical responses of producing and consuming countries, the researcher critically examines how cultural relativism and universalism can lead to different ethical interpretations of the same business activity. And discussion further explores the extent to which economic structures, political systems and cultural norms influence corporate behaviour and assesses the conditions under which limited reconciliation between business interests and ethical responsibilities is possible in globalised supply chains.

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INTRODUCTION

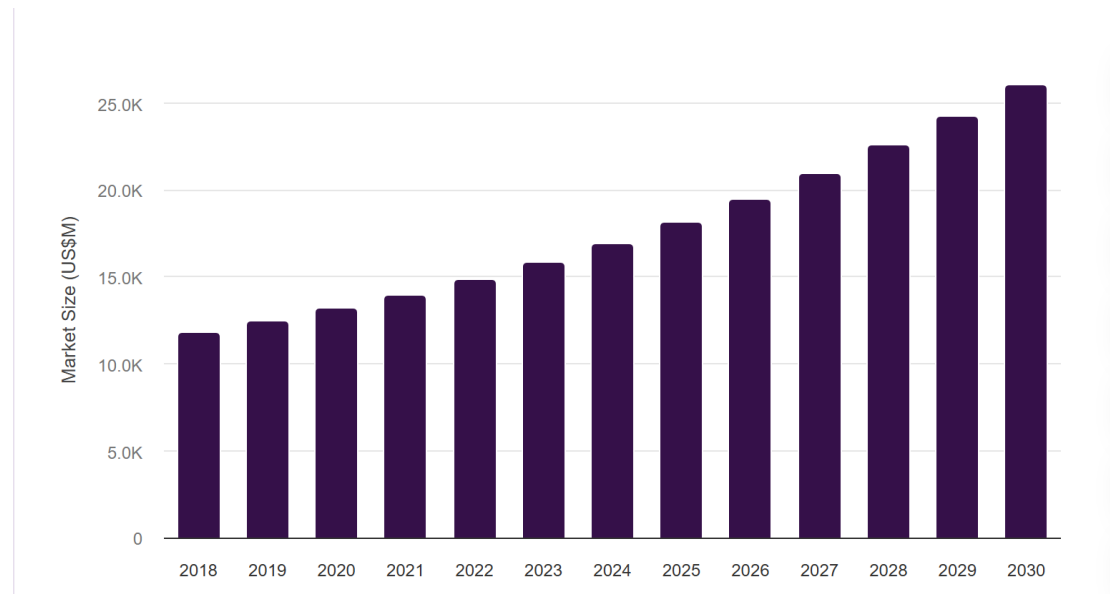


Figure 1: Global Avocado Market Size and Forecast (Base Year: 2023)

Source: Data adapted from Grand View Research (2024)

According to a report published by Grand View Research (2024), the global avocado market is projected to reach a value of USD 26.0364 billion by 2030, with a compound annual growth rate (CAGR) of 7.4% during the period from 2024 to 2030. Increasingly optimistic market expectations suggest that the global avocado industry is in a phase of rapid expansion(Sibulali, 2020). One of the key marketing strategies is to re-brand avocado as a healthy and sustainable "superfood", and integrated into the contemporary consumers advocated healthy lifestyle, plant-based diet and ethical consumption concept(Giuggioli *et al.*, 2023). This marketing shift has significantly increased the acceptance of avocado in Western consumer markets and has created a virtuous cycle of demand growth and market expansion, supported by a mature global food supply chain and economic globalisation(OECD/FAO, 2021).

However, behind this seemingly positive market narrative, a widespread and persistent ethical debate has gradually arisen, particularly in major avocado producing regions such as Mexico, Central and South America. Large-scale cultivation activities are closely linked to water depletion, ecosystem degradation, and even potential threats to local communities and their future generations (De la Vega-Rivera and Merino-Pérez, 2021; Fuerte-Velázquez *et al.*, 2024). These phenomena have led to a re-examination of the ethical rationale behind the business practices involved.

Broadly speaking, the central ethical controversy surrounding the avocado industry centres on the tension between high environmental costs and significant commercial benefits (Lourentzatos, 2021). The problems faced by the avocado industry are not only confined to the environmental aspect but also arise from legally sanctioned yet highly cost-shifting business models through which enterprises seek to maximise profits in global markets. At the same time, businesses involved in avocado cultivation and distribution are often situated in diverse cultural, political and social contexts, and it is these contexts that largely shape and influence the ways in which businesses understand their social responsibility and the paths they take to justify their ethical legitimacy (Rodríguez-Leiva *et al.*, 2025; Velázquez-Torres *et al.*, 2025).

To avoid unnecessary value presuppositions and biases, this essay addresses a central ethical question: "should enterprises prioritise profit maximisation alone, or should

they also assume broader social and environmental responsibilities?" Taking an analysis of the global avocado industry as a starting point, it examines the ethical challenges embedded in current business practices and explores how corporate behaviour is shaped by cultural, political and social norms in both producing and consuming contexts. It further analyses how these differing contexts give rise to contrasting ethical interpretations of the same commercial activities. On this basis, it critically evaluates the extent to which business interests and ethical responsibilities can be reconciled, and under what conditions such reconciliation can only be regarded as partial and conditional.

2. ETHICAL CHALLENGES ARISING FROM THE GLOBAL AVOCADO INDUSTRY

2.1 The Global Avocado Supply Chain and Market Dynamics

As noted in the introduction, the expansion of the global avocado industry over the past two decades has been driven primarily by demand from Western consumer markets. The avocado has been transformed from a relatively niche agricultural product into a “superfood” embedded in the diets of today's consumers. From a business perspective, the globalisation of the avocado supply chain has played a central role in this growth. Because the main production areas of avocado are concentrated in Mexico, Central America and parts of South America, these regions have the climatic conditions to make large-scale avocado cultivation economically viable (Domínguez *et al.*, 2024). Building on this geographical advantage, large

enterprises such as Mission Produce continue to optimise cold chain logistics and actively coordinate different stages of the supply chain, enabling the efficient export of avocados to target market(Ar-Rozi, 2021).

With rising demand from Western consumer markets, companies are realising the huge commercial potential of the avocado industry. More capital is pouring into the avocado market as firms seek more profitable business models(Anacona-Mopan *et al.*, 2024). For exporting regions, avocado cultivation is often closely linked to economic development strategies at the national level, as well as to local employment opportunities and generating foreign exchange earnings(Boniphace, Kadigi and Kangile, 2023). Therefore, avocado production is now significantly shaped by international market demand and profit expectations, rather than being confined to meeting local consumption needs.

Meanwhile, avocado cultivation is generally recognised as a water-intensive agricultural activity, especially in areas where water resources are already limited(Ausman, 2023) . While the market dynamics described above help to explain the continued expansion of the industry, they have also created a situation in which the wider social and environmental impacts of avocado production risk being relegated to a secondary position in profit-driven business decision-making. These issues form a realistic basis for the ethical topics that will be explored further in the next section. This also indicates that commercial success in the avocado industry has

been made possible, at least in part, by leaving the social and environmental costs of production insufficiently acknowledged in business decision-making.

2.2 Ethical Issues Embedded in Avocado Business Practices

One of the central ethical concerns the pressure on water resources arising from avocado cultivation (Sommaruga and Eldridge, 2021). This issue is widespread in several major producing countries, with Mexico being particularly prominent. As a core region for global avocado production, the rapid expansion of avocado cultivation in Michoacán State and its connection to excessive groundwater extraction have drawn significant attention. When agricultural water is prioritised for export-oriented plantations, the security of local ecosystems and communities often takes a back seat (Charre-Medellín, Mas and Chang-Martínez, 2021). A similar situation can be seen in the Petorca region of central Chile, where a prolonged drought and the expansion of avocado cultivation in the context of a local water privatisation regime have led to some communities relying on government water deliveries to meet their basic needs (Ausman, 2023). These cases collectively show that ethical controversies persist even when the agricultural activity in question operates within a legal framework. This suggests that legality is an ethically insufficient benchmark, as regulatory frameworks may themselves normalise forms of environmental and social inequality.

In addition to water issues, the avocado industry is closely linked to land use and

ecological degradation in some countries. In Mexico, some avocado farming activities are considered to promote deforestation and pose a potential threat to nature reserves, including the monarch butterfly. This ecological damage is undoubtedly the result of prioritising short-term economic gain over long-term ecological protection(Denvir *et al.*, 2022). In countries such as Peru and Colombia, the inclusion of avocado in export-oriented agricultural development strategies has fuelled economic growth through foreign exchange earnings but has also changed the land use structure to a certain extent, further increasing the dependence of the local agricultural system on fluctuations in prices and demand on the international market(Duran-Llacer *et al.*, 2025). This raises ethical issues related to environmental protection, as well as to the choice of development path and its long-term sustainability.

Closely related to the externalisation of environmental costs is the markedly unequal relationship between stakeholders. In several Latin American producing countries, the economic benefits of the avocado chain tend to be highly concentrated among multinational enterprises, large distributors and consumers in the markets of importing countries, while resource depletion and ecological risks are borne mainly by groups with relatively limited economic and political voice. Local communities and small-scale farmers lack substantial influence over production decisions and resource allocation mechanisms. In many cases, farmers also choose to cultivate avocado not for profit maximisation, but as a relatively stable source of income capable of sustaining their families' basic livelihoods(De la Vega-Rivera and Merino-

Pérez, 2021). This reality suggests that ethical concerns cannot be attributed simply to individual choices but must be examined in the context of global supply chain structures and asymmetries in the distribution of power. It also challenges the assumption that participation in global value chains reflects free and informed choice, highlighting instead how constrained options shape farmers' so-called "decisions".

These ethical tensions are further exacerbated by the way avocados are marketed and consumed. In European and North American markets, avocado is often packaged as a symbol of healthy, sustainable and responsible lifestyles, and is strongly associated with veganism, environmental awareness and ethical consumption. For consumers, especially those who choose a vegetarian or vegan diet for 'sustainable' lifestyles or ethical reasons, eating avocado is often seen as a positive ethical behaviour(Sommaruga and Eldridge, 2021). However, companies often emphasise the nutritional content of their products in their marketing, but rarely disclose the pressures on water resources, land use and ecosystems that are involved in their production. In reality, similar nutritional content can be obtained from other fruits and vegetables such as spinach and kale(Esteve-Llorens *et al.*, 2022). This phenomenon highlights the fragmentation and blurring of responsibilities in the global supply chain, making it difficult to clearly define ethical responsibilities among the different players.

3. ETHICAL EVALUATION OF BUSINESS BEHAVIOUR ACROSS CULTURAL CONTEXTS

3.1 Cultural Relativism and Contextual Ethical Legitimacy

In assessing the ethical implications of avocado farming, it is necessary to recognise that business practices are not judged in a vacuum but are embedded in an ethical framework constituted by specific cultures and institutions. From the standpoint of cultural relativism, there is no single universal standard for ethical evaluation, but rather it relies on different socio-cultural understandings of values, responsibilities and priorities(Agyare, 2024). Within this framework, certain business behaviours that appear controversial externally may be redefined as reasonable or even necessary practices in the local context.

This ethical reframing is particularly evident in several major avocado producing countries. In Mexico, particularly in the state of Michoacán, avocado cultivation is deeply embedded in the structure of the local economy and the national export development strategy. In this context, the environmental costs associated with avocado production are often included in the category of “development costs” rather than being recognised independently as an ethical issue(Román-Burgos and Macip-Ríos, 2022). Local ethical assessments have favoured economic stability, rural livelihoods and regional growth as the core criteria for judging the legitimacy of the business, thus weakening the immediate concern for long-term ecological risks.

A similar scenario occurs in the Petorca region of Chile. Although intensive avocado cultivation has exacerbated water scarcity in the region, in a political context of privatised water rights regimes and legal protection of water for agricultural use, businesses have tended to ethically justify their actions through “legal compliance” and “economic contribution”(Roose and Panez, 2020). In the perspective of cultural relativism in a cultural relativist perspective, such arguments are not simply moral evasions but reflect the boundaries of responsibility recognised by local institutions, where corporate responsibility is understood primarily in terms of complying with the law and contributing to economic activity, rather than in terms of broader ecological obligations.

In this context, corporate behaviour reflects not only management's business choices, but also its compliance with prevailing local ethical norms. As a result, different regions have developed very different understandings of responsible business practices. In export-oriented economies, responsibility is often closely linked to job creation, economic growth and international market competitiveness, while environmental protection is seen as a long-term issue that can be postponed. From this perspective, agribusinesses engaged in avocado production do not necessarily perceive their behaviour as ethically flawed, but rather as conforming to cultural norms that prioritise development and market integration. The above analysis shows that cultural relativism does not provide a moral justification for environmental damage, instead it reveals the reasons behind the same business practices are given

different ethical significance in different cultural and institutional contexts. However, explaining why practices are accepted locally is not the same as demonstrating that they are ethically defensible, especially where harms are structural and intergenerational.

3.2 Universalism, Absolutism and the Limits of Cultural Relativist Justifications

While cultural relativism provides an important explanatory framework for understanding the behaviour of avocado agribusiness in different countries and regions, there are limitations to relying solely on contextualised ethical judgements. Universalist and absolutist ethical positions critically challenge cultural relativism, centred on the proposition that certain moral principles should be universally binding across cultural, political and social norms, especially where business activities have long-term and irreversible impacts on fundamental human interests and ecosystems(Winkler, 2022). At the same time, a strictly universalist stance may underplay the socio-economic constraints and historical inequalities that shape producers' dependence on export crops, raising questions about how universal principles should be applied in practice.

From a universalist perspective, the depletion of water resources, ecological degradation and intergenerational injustices exposed by the avocado industry cannot be fully ethically justified simply by "conforming to local laws" or "meeting development needs"(Randall, 2020). Water resources, as a key element for basic

human survival and ecosystem functioning, carry fundamental rights and principles of equity in their access and distribution. When export-oriented agriculture continues to prioritise the use of scarce water resources to the detriment of the water security of local communities, regardless of the institutional context in which such actions are deemed legitimate, the result itself is a violation of the ethical boundaries of universalism(Mahaswa, Widhianto and Hasanah, 2021). At this point, the situation in Chile's Petorca region and in parts of Mexico's production areas is not simply a “local governance issue”, but a challenge to intercultural ethical principles(Caro *et al.*, 2021).

The absolutist ethical stance reinforces this critical perspective. In contrast to universalism's emphasis on intercultural principles, absolutism asserts that certain behaviours are inherently morally wrong, even if they are justified in a particular cultural or political context(Jalsenjak, 2023). For example, when commercial activities lead to systematic ecological destruction or shift long-term environmental costs to groups that lack the ability to speak out (such as future generations), such behaviour constitutes morally unacceptable. Deforestation, loss of biodiversity, and encroachment on ecologically sensitive areas in the avocado industry are difficult to exempt from this framework through any form of economic justification or cultural explanation(Khan, Kakabadse and Skouloudis, 2021).

In addition, the different responses to the ethical implications of the avocado industry

between producing and consuming countries further highlights the limits of cultural relativism. In the European and North American markets, avocados are often embedded in ethical narratives of “responsible consumption” and “sustainable lifestyles”, while the environmental and social costs of their production are often left out of the ethical picture(Ohlau, Huning and Spiller, 2023). From a universalist perspective, this asymmetry in ethical evaluation is itself a moral failing: if environmental protection and social responsibility are seen as important ethical standards, then they should be applied consistently across GSCs, and should not be selectively ignored due to geographic distance or cultural differences(Marano *et al.*, 2024).

Thus, universalism and absolutism are not denying the explanatory value of cultural relativism, but rather, on this basis, clearly indicating the boundaries of its ethical scope of application. Cultural relativism helps to understand why businesses make certain choices institutional and cultural contexts, but when these choices pose a continuing threat to essential resources, principles of equity, and ecological sustainability, the defence of cultural difference alone is no longer sufficient. It is in the tension between cultural contextual understanding and universal ethical imperatives that the business practices of the avocado industry truly constitute a global business ethics issue that needs to be systematically assessed. This tension also lays the theoretical foundation for the subsequent exploration of whether business interests can be reconciled with social and ethical responsibilities in practice.

4. RECONCILING BUSINESS INTERESTS WITH SOCIAL AND ETHICAL RESPONSIBILITIES

From an ethical perspective, a complete alignment between profit maximisation and social responsibility is neither realistic nor necessary (Kandpal *et al.*, 2024). However, this inconsistency does not in itself justify the continued acceptance of foreseeable harm. When economic activity systematically passes on environmental and social costs to vulnerable groups or future generations, the ethical responsibilities of business are no longer limited to compliance with established norms or institutions (Bontempi, Del Bene and Di Felice, 2023). Businesses operating in GSCs may continue to be profit-driven, but the ethical acceptability of their behaviour depends on their recognising, limiting and proactively responding to the underlying harms, rather than normalising them as an inevitable consequence of business activity.

Thus, so-called “ethical” business practices in the avocado industry can only be realised under limited conditions. Its realisation does not require businesses to abandon global trade or market participation, but rather to explicitly recognise that certain consequences are ethically uncompromising. In the absence of such recognition, the reconciliation of business interests and ethical responsibilities is at best partial and fragile. This further suggests that ethical conflicts are not a periodic anomaly in globalised business, but rather a long-standing structural feature that is difficult to eliminate completely through technological means or single governance measures (DeBerge, 2024).

CONCLUSION

An ethical assessment of the avocado industry suggests that the reconciliation of commercial interests and moral responsibilities should therefore be understood as a limited and conditional rather than a fully achievable goal. Ethical avocado business practice requires a clear recognition that certain consequences cannot be considered reasonable or acceptable by-products of business success. When environmental degradation and the transfer of social costs take on a systemic and ongoing character, the ethical responsibilities of business are no longer limited to legal compliance or cultural legitimacy, but must be subjected to a more rigorous ethical scrutiny. The analysis and assessment of this case further suggests that ethical conflict is not an occasional anomaly in globalised business activities, but rather a structural feature that persists over time. Therefore, the ethical evaluation of such business practices should not seek a definitive solution, but rather a continuous critical assessment as a prerequisite.

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