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Business, Ethics, and the Environment

Imagining a Sustainable Future

JOSEPH R. DESJARDINS
To My Mother, Doris DesJardins
From whom I first learned about ethics and work
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Preface

The starting premise of this text is that in the early years of the 21st century, human society is entering into a new social, political, and economic era, “the next industrial revolution.” This revolution is being shaped by events at the intersection of the global economy, the natural environment, and ethics. Old ways of thinking about how we should live, how we should manage our businesses, and how we should shape our economies are being overtaken by the movement toward sustainable development, sustainable economies, and sustainable business.

This book provides an introduction to, and an ethical case for, this emerging model of sustainable business. I have had three primary goals in writing this book. First, I hope to bring material from many diverse sources and perspectives together into a single introductory text. The movement toward sustainable business is emerging from a diversity of venues and academic disciplines, ranging from economics and philosophy to architecture and finance. My hope is that this text can unify this material into a coherent and straightforward format. Second, this text provides an introduction to a range of ethical issues that are involved in the evolution of sustainable business. It is often said that sustainability rests on three pillars: economic, ecological, and ethical. I have tried to highlight the ethical questions and challenges that accompany the move toward sustainability within business. Finally, I have tried to do all this in a clear and accessible style. Because this field is fundamentally interdisciplinary, it is important that conversations about sustainability be as free from academic and disciplinary jargon as possible.
Ethics is all about choices we make and about the future we create through those choices. How are we going to live our lives? What kind of person are we going to be? What kind of world are we going to leave to our children and grandchildren? When some people look into the future, they see cause for despair. Given trends in population, poverty, environmental destruction, global warming, exploitation of resources, extinction of species, as well as disease, war, famine and oppression, many foresee a bleak future indeed. When others look into the future, they see infinite resources, indefinite economic growth and prosperity, increased worldwide wealth and happiness. The truth is, of course, that neither future is inevitable.

The choices human beings make today will determine the world in which they live tomorrow. This book is about the choices businesses face in the early years of the 21st century. Some choices will make the bleak future more likely; others will increase the chance for a future of long-term prosperity. This book makes an ethical case for redesigning and reconceptualizing business along principles of sustainable development, principles that should make the healthy, prosperous, and happy future more feasible.

Why the need to redesign and reconceptualize business? Several undeniable facts about the world in which we live make this case. First, a large percentage of the world’s population, mostly children and the overwhelming majority of them morally innocent in every way, lack the basic requirements of a decent human life. Lack of clean drinking water, nutritious food, health care, education, work, shelter, clothing, and hope, is a daily reality for billions of people. Population growth, even at the most conservative rates, will significantly exacerbate these problems in the near future. Because population growth is highest in those areas in which people are already most at risk due to the effects of poverty and oppression, these ethical challenges will only get worse in the future. To meet these needs, the world’s economy must produce substantial amounts of food, clothing, shelter, health care, and jobs, and distribute these goods and services to those in need. Clearly then, significant worldwide economic activity must occur if these harms are to be addressed at all.

Furthermore, an increasingly integrated global economy means that fewer and fewer business decisions can be made in isolation of the social, political, environmental, and economic events happening throughout the rest of the world. Gone are the days (if ever they truly existed) when business decisions in the United States or Western Europe could be made in ignorance and independence of financial markets in China, labor markets in India, or resource markets in the Middle East. Economic activity aimed at meeting the needs of the expanding world’s population has already shifted the economic center of gravity away from the United States and Western Europe and toward Asia.

But addressing these ethical goals with the extensive economic activity relies upon the productive capacity of the Earth’s ecosystems. Two facts about that ecosystem are at the core of my argument. First, the economy is but a subsystem within Earth’s ecosystem, and, therefore, that ecosystem
establishes the biophysical parameters of economic growth. Second, that very ecosystem is already under stress due to the economic activity of human beings.

Given these realities, those of us living in the consumerist economies of the developed world are faced with three alternative conclusions. We can have faith in the assumption that the world's economies can continue to grow indefinitely and that the world's poor will be able to have prosperous lives and a high standard of living. We can conclude that the world's poor will not, cannot, or should not attain lifestyles and will, can, or should remain poor. Or, we can conclude that alternative economic institutions must be created to meet world demand without further destroying the biosphere. Unless a model of business can be created that allows significant economic activity without further depletion of the biosphere's ability to support both life and the very economic activity on which it depends, humans are facing a global ecological, economic, and ethical tragedy.

Fortunately, some early versions of such a model of business are beginning to appear. What has been called, alternatively, “sustainable business,” “the next industrial revolution,” or “natural capitalism” provides models for business that can, in the words of the U.N. Commission on Sustainability, “meet the needs of the present without jeopardizing the ability of future generations to meet their own.” It is a new business model that emerges out of a paradigm shift in economics, management, and ethics. We must abandon the economic model that takes unguided growth as the economic goal and replace it with one that targets economic development. Business institutions must follow this lead to find ways to meet the real needs of the world’s populations without jeopardizing the biosphere’s ability to meet the needs of future generations. This book surveys many of the ethical issues that will accompany the shift to a sustainable business model.

If we truly are at the very beginning of the next industrial revolution, perhaps this text is no more than a “first-draft.” My deepest hope is that this book will serve to introduce students to that future and that they will quickly advance beyond what they find here.

**Overview**

The first six chapters of this book examine the more theoretical and philosophical aspects of sustainable business. Chapter One provides the preliminary case for a shift to sustainable business models. Chapter Two offers a glimpse of the present state of the Earth’s ecology, highlighting those areas that pose the most significant challenges to environmental sustainability. Chapter Three describes the dominant economic paradigm of growth and free markets, the major alternative to sustainable business, and spells out the
models of corporate social responsibility that follow from that paradigm. Chapter Four provides a detailed critique of this dominant paradigm, and defends a more active role for business institutions in addressing these challenges. Chapter Five presents the alternative economic model of sustainable economics, and sketches an alternative understanding of corporate social responsibility. Chapter Six makes the business case for the shift to sustainability and provides descriptions of several conceptual frameworks that can guide the evolution of sustainable businesses.

The remaining three chapters move the focus to the more practical and managerial side of corporate sustainability. The primary purpose in these chapters remains to provide an ethical framework for sustainable business. Nonetheless, I will also try to indicate several practical developments that already are contributing to the emergence of sustainable business. Chapter Seven examines the question of sustainable production, investigating both the products themselves and the entire production process from the perspective of sustainability. Chapter Eight examines the issue of consumerism and considers business’s responsibilities for hindering or encouraging sustainable consumption. Chapter Nine offers some thoughts concerning new directions that can be expected in the evolution of sustainable business. Major business professions and the functional areas within business are already beginning to address sustainability issues within their own domain. Furthermore, business’s role in creating sustainable communities adds a social dimension that is often overlooked in standard discussions of business ethics.

Acknowledgements

My greatest debts are to those practitioners and scholars who are at the front lines of the transformation into a sustainable economy. This textbook is a tribute to their work. I have tried to acknowledge their creativity and insights throughout this text, but if I have missed anyone I hope this general acknowledgement will suffice.


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