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Ecological Sustainability and Collaborative Business

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Problems

- (1) Why is the **mainstream business model** not compatible with **ecological sustainability**?
- (2) Why does the **collaborative business model** fit better in ecological sustainability?

Ecological sustainability



Non-declining natural wealth

$$\Delta V[E(t)] \geq 0$$

Mainstream Business

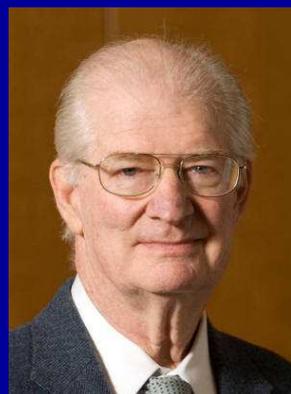
Based on self-interest and measures success in exclusively money terms.

Leads to ecological overshoot, decreasing life satisfaction and social inequality.

Gulf of Mexico Oil Spill in 2010



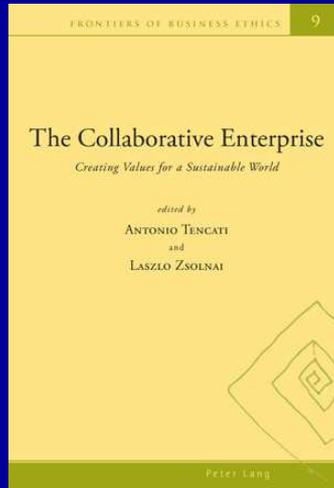
Uneconomic development



„Increases costs by more than it increases benefits, thus making us poorer instead of richer”.

Herman Daly

Bocconi – Corvinus Project



promotes a view in which economic agents **care about others** and **aim to create values for all the participants** in their business ecosystems. Their criteria of success is **mutually satisfying relationships** with the stakeholders.

Homo Reciprocans

American economists **Samuel Bowles** and **Herbert Gintis** summarize the model of "**Homo reciprocans**": agents come to new social situations with a propensity to **cooperate** and **share**, and respond selfish, free-riding behavior by **retaliating** against the **offenders**, even at a cost to themselves.

Positive psychology

studies the **strengths** and **virtues** that allow **individuals, communities, and societies** to **thrive**

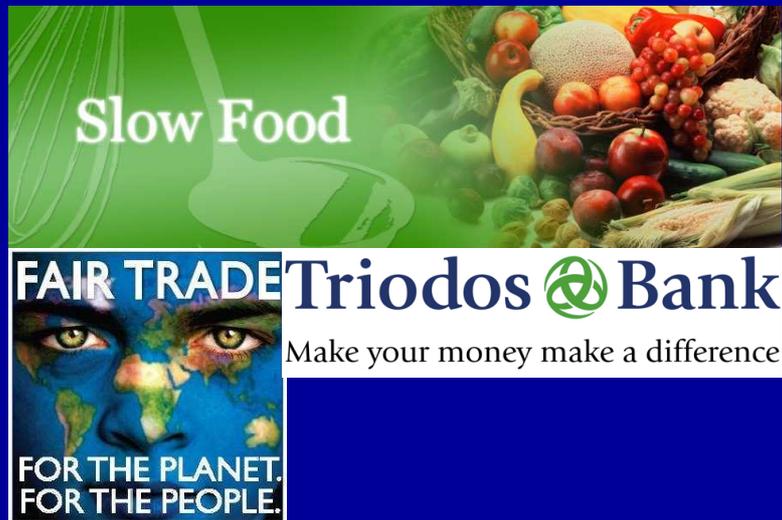
- (i) positive emotion and pleasure
- (ii) engagement
- (iii) meaning

The quality of stakeholder relationships is crucial for the development of a firm



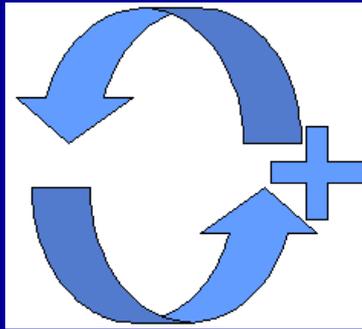
A collaborative enterprise develops a **multiple-bottom-line approach** by addressing the linkages with its different constituencies.

Collaborative Businesses



The strength and sustainability of enterprises come from their **ability to fit** within the **environmental, social and cultural context** in which they function. By developing **mutually beneficial relationships** with the stakeholders, enterprises can get **deep support** from the stakeholders based on their commitment.

Virtuous Circle



If we want to get closer to a **sustainable world** we need to generate **virtuous circles** where **good dispositions, good behaviour and good expectations** reinforce one another.

Thank you!

