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Redefining Economic Reason

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With its exclusive focus on profit-making business destroys the integrity and diversity of ecosystems, the autonomy of local communities, and the chances of future generations for a decent life.

1. The Myth of Profit

- (i) Profit is **inadequate** as a **sole measure** of economic activities.
- (ii) Profit is **dangerous** as the **main motivation** for economic activities.

Problems with profit as a measure: non-represented stakeholders



natural beings

future generations



Problems with profit as a measure: underrepresented stakeholders

The poor
and
marginalized people



Problems with profit as a measure: myopic stakeholders



**discounting
in space and time**



Profit cannot provide a complete, unbiased evaluation of economic activities.

Profit reflects the values of the strongest stakeholders and favours preferences here and now.

Problems with profit as a motivation: counter-productive



**destroys intrinsic
motivation and
decreases quality**

**leads to
manipulation
of others
and oneself**



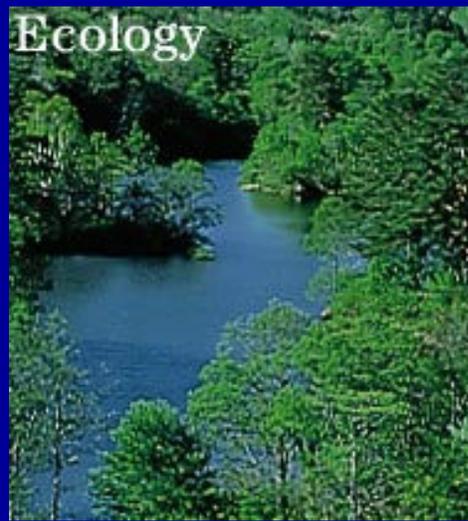
**Profit is neither a necessary
nor a sufficient criterion
of economic reason.**

2. Nature, Society and Future Generations

**Economic activities should pass the test of
ecology,
pro-socialness
and
future generations
to be qualified for economic reason.**

The Test of Ecology

Economic activities should be ecological, i.e. should contribute to the preservation and restoration of the natural world.



The Test of Pro-socialness



Economic activities should be **pro-social**, i.e. should contribute to the **development of capabilities of people**.

The Test of Future Generations

Economic activities should be **future respecting**, i.e. should respect the **freedom of future generations**.



4. Redefining Economic Reason

The primary goal of economic activities is not profit-making but to provide right livelihood for those who are involved.

Evaluating economic activities
requires **substantive** and
multi-perspective methodologies.

The „**no harm**” principle should
be preferred everywhere.

More emphasize on **autonomy**
and **cooperation** has to be practiced.