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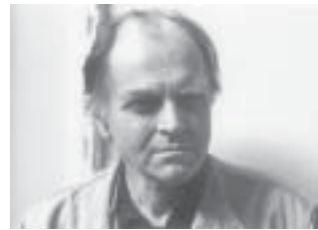
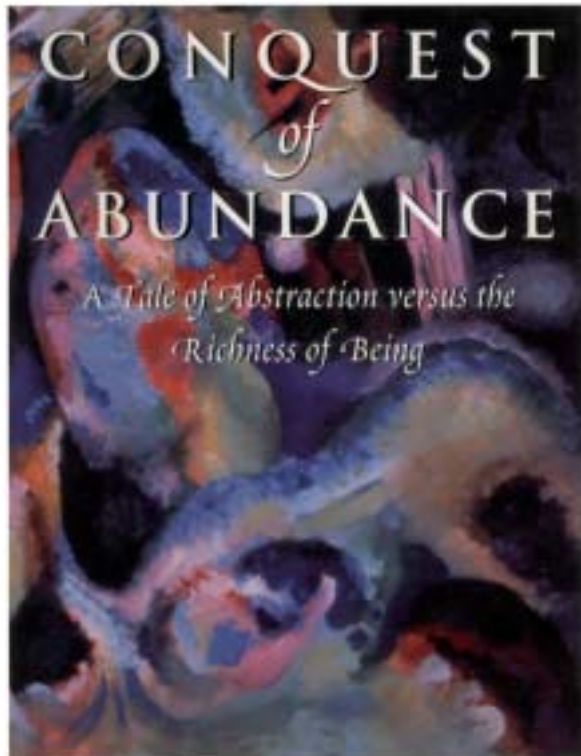
Ethical Economics & the Environment

(Lecture in the MBA Business Ethics course
at the Saïd Business School)



May 28, 2003 • Oxford

PAUL
FEYERABEND



Paul Feyerabend

Tale of **Profit Making**
versus
the **Richness** of Being

Questions to Be Answered

- How Does Business **Affect** the Natural Environment?
- What Does **Environmental Ethics** Imply for Business?
- Is **Genetically Modified Food** Problematic?
- What Is **Natural Capitalism**?
- What Is Wrong with **Market Fundamentalism**?
- How Can Business Be **Sustainable**?

1. Business Affects the Natural Environment

In different ways:

- Extracting **resources** from nature
- Emitting **outcomes** to nature
- Changing the **functions** and **structure** of nature

On different levels:

- **Individual** biological creatures
- Natural **ecosystems**
- The **Earth** as a whole

2. Theories of Environmental Ethics

2.1 Awareness-based Ethics



Peter Singer
(Princeton)

If a **being** suffers we should take this **suffering** into consideration



2.2 Ecosystem Ethics

Aldo Leopold
(1887–1948)



Preserve the **integrity, stability,**
and **beauty** of the biotic community

2.3 Gaia Ethics

James Lovelock
(Gaia theory)

Not to violate the
systemic patterns and
global mechanisms
of the Earth



3. Genetically Modified Food

Monsanto Europe (A) 2002

4. Natural Capitalism



Amory B. Lovins
(Rocky Mountain Institute)



Radical **Resource Productivity**
Biomimicry
Service and **Flow** Economy
Investing in **Natural Capital**

5. Beyond Market Fundamentalism



George Soros

Market Fundamentalism:

All kinds of **values** can be **reduced** to market values and the **free market** is the **only** efficient mechanism for the rational allocation of resources.

Problems with market evaluation

- **Non-represented** stakeholders
- **Underrepresented** stakeholders
- **Self-centred** and **myopic** preferences

6. Towards Sustainable Business

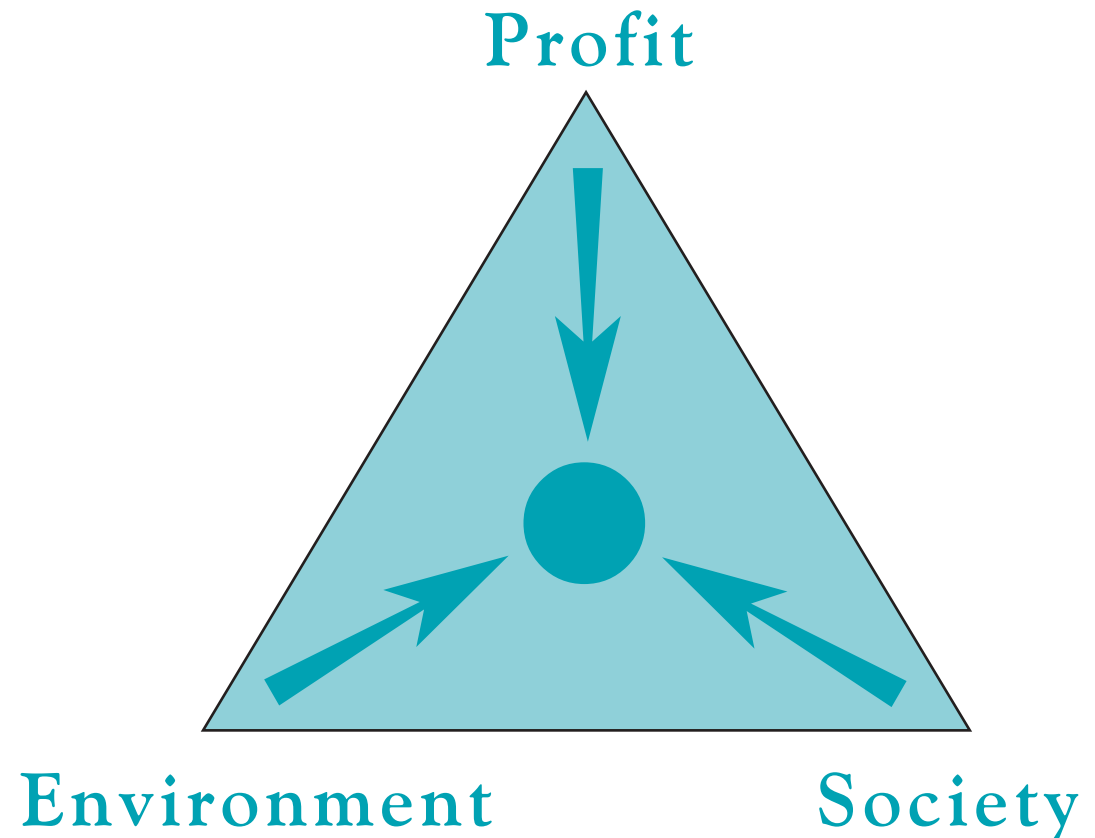
Environmental and **social accounting** and **reporting** are needed **in addition** to market-based calculation and evaluation.

EU Green Paper on Corporate Social Responsibility

- CSR is **voluntary**
- Reporting is **required**

Triple Bottom Line Management

Environmental,
social and economic
values are **balanced**
against one another



7. The Enrichment of the World

Instead of reducing and destroying **ecological** and **cultural diversity**, business could contribute to the **enrichment** of the **world**.

