

Business's Environmental Responsibility

Economics: the Neoclassical Model

"A healthy economy is a growing economy."

- 25% of the world's population use 80% of its resources.
- In order for the other 75% of the impoverished world to grow their way into a healthy economy, consumption of the world's resources would have to increase at least 5-10 times.
- In 50 years, it would have to increase by at least 10-20 times.

Conclusion: It isn't possible for the world to grow its way into a healthy economy because we have severely limited resources. It isn't even possible for the world to maintain its current rate of consumption and keep the healthy economies we now have.

Economic Disaster, or...

An Alternative Model: Sustainable Economics

"A healthy economy is a developing economy."

Economic Growth v. Economic Development

MORE ↗ BETTER ↗

The Future of Business in a Sustainable Economy

General Rule: "Invest in the most scarce factor" (288).

Low Labor Capital = Invest in Worker Training
 Low Man-made Capital = Invest in Factories
 Low Natural Capital = Invest in Natural Resources

A Reason to be Optimistic?: Treating people, animals, plants, ecosystems and our world in general ethically will coincide with profits.