


SUSTAINABLE ECONOMY

Corporate, Social and
Environmental Responsibility

Raymond W Y Kao

 World Scientific



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Environmental Responsibility



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INTRODUCTION

Raymond W. Y. Kao

A Feasible Economic Paradigm

On 27 November 2007 on CBC radio, David Suzuki had a message for all of us. He said that we need “a feasible economic paradigm” to deal with the problem of sustainability.

Such a “feasible economic paradigm” is one that cannot rely on the market economy. Economic doctrine has been developed entirely on the basis of the challenges of production and exchange with little regard for the matter of distribution. The main distributive responsibility lies with the exchange system in the market place, via a networking mechanism of governing, that which we (usually favorably) refer to as the market economy, with profit as the mainstream incentive.

Under the umbrella of the profit-driven market economy, we have learnt how to take from nature, the environment and people without coming to the realization as a society and as a civilization, that if humanity is to continue in this manner, it needs a sustainable economy. The problem is simple enough to appreciate — we know how to take, but we do not wish to, and perhaps do not even know how to, give back.

Have We Put Back Equivalent Value for What We Have Taken?

Grassroots movements have politicized the environmental concerns of today and for the future, but consumers still rely on massive energy consumption and resource-sapping products to maintain the high quality of living to which they have become accustomed by attractive marketing

techniques. What is needed is a global, yet personal mechanism of accounting that engenders human needs, the constraints on natural resource and environmental concerns. It is by no means a new story, but sadly a very old one with often catastrophic results. The world will come closer to the solution of equitable distribution when the personal incentive for all individuals to “give back” takes precedence over the incentive to “take from” the environment, and others. Relying on the market systems to put back what we have taken, when it is too often assumed that it is our unalienable right to make a profit if it is within our power to do so, is extremely difficult for this author at least to believe. Individuals must make a personal choice to assume responsibility for the stewardship of the remarkable life on this wonderful planet.

Profit, True or False?

What is generally considered to be “profit” consists, in large part, of the unaccounted costs to people, resources and the environment, in addition to the currently accounted for costs required to bring a product or service to the consumer. The continued practice of denying these extra, undisclosed components will result in an inevitable, eventually irreversible drain on our non-renewable resources unless innovation and creativity surpass consumption. The pressing issue of poverty will remain a significant challenge for a very long time. While the plight of the poor has improved in many places, especially in the so-called “developed nations,” many still live often unseen, tragic lives blighted by poverty, and throughout much of the globe abject poverty is often the norm, accompanied by an average age of mortality that would be considered tragic in developed countries. Where is the system of justice to provide these individuals with the basic requirements of life? The Market system relies on “blind” justice for distribution, and the end result is the limitless accumulation of profit for some, acquired from the undeclared costs to humanity and the natural environment. Such a process, if allowed to continue unchecked, leads to continued destitution for those out of reach of the “justice” available only to those playing the market game. So if we cannot depend on a profit-chasing economy to provide a fair and equitable distribution system, can we rely on governments?