

BUSINESS ETHICS

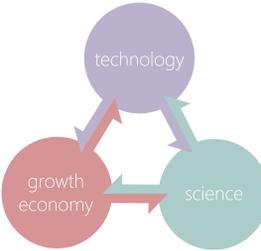
moral guidance for a blind system

Ideally, neoliberal free market capitalism should lead to a balanced and efficient system, where goods are perfectly distributed. However, the global trade market is not entirely free and consumers and producers aren't rational. Thus, the imperfect semi-free market has led to inequality, exploitation, overconsumption, depletion of resources and environmental degradation. This blind system needs moral guidance; a no harm framework for free enterprise.



Not everything that is legal is moral. Only in utopia do the moral and the legal overlap. It is illegal and immoral to steal from your neighbor. However, although it is immoral to steal from your neighbor in time (future generations), it is legally allowed to steal from them.

the STC complex of the industrial paradigm



The triangular system of science, technology and capitalism (Vermeersch), is a morally blind system leading to continuous growth and striving towards efficiency. The industrial paradigm puts business before people, animals and the planet and considers nature an enemy that must be conquered. The system could potentially function well within a moral framework (e.g. the no harm framework).

differences

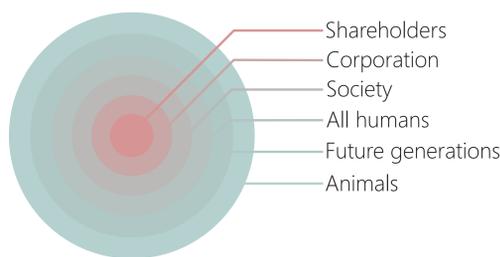
How does what our economy strives for differ from what humans strive for?

REALITY	UTOPIA
more money	more happiness
legal	moral
maximum profit	good product
what we buy	what's best for us
good for business	good for society

INSTRUMENTAL QUESTIONS	FUNDAMENTAL QUESTIONS
How can we make the most money?	What has value?
How can we create more economic growth?	Who is or should be in the moral circle?
How can we make things more efficient?	What is the good life?
How can we sell more products?	What is the good society?
How can we use innovations to reach the goal of profit maximization?	Who is responsible for what?

expanding moral circle

Who should we take into account when doing business?



amount of sustainability

To what degree is business sustainable?

- 1 Compliance**
The company does not violate regulations, but neither tries doing more.
- 2 Eco-Efficiencies**
The company understands that money can be saved by implementing sustainability.
- 3 Green Marketing**
The company understands that green marketing attracts new, larger groups of customers and is an increasingly attractive strategy.
- 4 Sustainable**
The company is, in theory, able to continue its activities for all time, since it does not deplete resources or produces problematic waste.
- 5 Restoration**
The company has reached a major achievement: not only is it not harming others or the environment, it is restoring damage others have done.

problems

Our foot is stuck on the accelerator and we are heading towards an abyss.
Ban Ki-moon, UN Secretary General

TRAGEDY of the COMMONS
Multiple individuals, acting independently and rationally consulting their own self-interest, will ultimately deplete a shared limited resource, even when it is clear that it is not in anyone's long-term interest for this to happen.
Examples: deforestation, wilderness loss, overfishing, and climate change due to greenhouse gas emissions.

EXTERNALIZED COSTS
"We are stealing the future, selling it in the present, and calling it GDP." - Paul Hawken
Anti-consumerist activists express concern over modern corporations or organizations that pursue solely economic goals at the expense of environmental, social, or ethical concerns.

SHAREHOLDERS
Shareholders or stockholders are individuals or institutions (including corporations) that legally own any part of a share of stock in a public or private corporation. Shareholders push corporate management towards profit maximization and continuous growth.

SHORT TERM GOALS
Because CEO's have to justify their decisions to the share- and stakeholders, only short-term strategies are executed.

AFFLUENZA
"We all buy things we don't need, with money we don't have, to impress people we don't like." Consumerism is a social and economic order that encourages the purchase of goods and services in ever-greater amounts. Affluenza (from 'affluence' and 'influenza') is the bloated, sluggish and unfulfilled feeling that results from efforts to keep up with the Joneses; and, on a collective level, the unsustainable addiction to economic growth.

CONTINUOUS ECONOMIC GROWTH
Continuous Economic Growth measured by the increase in the amount of the goods and services produced by an economy over time (GDP). However, there are (ecological and moral) limits to (economic) growth.

GREED
An inordinate desire to acquire or possess more than one needs. The driving force of the economic system. Endemic for CEOs.

ALIENATION FROM NATURE
Estrangement, division, or distancing from nature. The modern western lifestyle is based on the denial of nature, e.g. there are no seasons in the supermarket. The capitalistic economic system backed by science and technology leads to the end of nature and thereby on its way to destroy itself.

chain of responsibility

Who is responsible for what; or more importantly: who takes responsibility?



examples of harmful corporations

Corporations deliver lots of goods and services, which result in the comfortable, luxurious lifestyle of many. Corporations have their benefits, but many corporations cause harm onto individuals. While the benefits of these corporations may be obvious, they might as well inflict harm onto others.

	HARMS: Future generations, people in the developing world, several species BENEFITS: Consumers, shareholders, stakeholders (CEO's, western employees) CASES: Nigerian environmental injustice, oil spills, oil sands in Canada (deforestation, pollution), using up scarce resources, global warming
	HARMS: Small farmers in India, future generations, several species BENEFITS: Consumers, shareholders, stakeholders (CEO's) CASES: Indian farmers' suicide cases, deforestation, biodiversity loss, pollution
	HARMS: Future generations, people working in sweatshops BENEFITS: Consumers, shareholders, stakeholders (CEO's) CASES: Sweatshops, pollution
	HARMS: Animals in factory farms, employees, future generations BENEFITS: Consumers, shareholders, stakeholders (CEO's) CASES: Factory farms, deforestation in Brazil, danger of superresistant bacteria / viruses
	HARMS: Animals, future generations (environmental degradation), customers (health problems), employees BENEFITS: Shareholders, stakeholders (CEO's) CASES: CAFOs (Concentrated Animal Feeding Operation) used for beef production
	HARMS: Employees, competing firms, suppliers BENEFITS: Consumers, shareholders, stakeholders (CEO's) CASES: Gender inequality in management, low wages, lack of health insurance, outcompeting smaller firms
	HARMS: Future generations, animals, small scale farmers. BENEFITS: Consumer of animal products, agrobusiness CASES: Financing factory farming

examples of ethical corporations

Ethical businesses strive not to harm, or at the very least, harm significantly less.

We have to put the safety of people and the planet first and reward the businesses who serve that mission.
Maria Rodale

	CASE: Organic-only supermarket
	CASE: Organic & vegan supermarket
	CASE: Large scale implementation of sustainable practices
	CASE: Fair trade coffee
	CASE: Vegan footwear
	CASE: Organic & fairtrade fashion

six virtues of business

What virtues contribute to doing business ethically?

- 1 Kindness:** be kind towards colleagues, employers, customers, suppliers, workers.
- 2 Honesty:** be honest about what your business is about.
- 3 Compassion:** being empathetic towards how your business impacts others.
- 4 Creativity:** dare to be creative and innovative.
- 5 Audacity:** be courageous to think out of the box.
- 6 Responsibility:** try to be a responsible citizen of the planet.

solutions

NO HARM MODEL OF BUSINESS

If we strive to live a life without harming others, we have to be aware that there are limits to what we can do. Liberty cannot be absolute; it must be consistent with the interests of others.
A.C. Grayling

1. Try not to harm others.
2. Who are the "others"?
 - All humans, including future generations. (anthropocentrism)
 - All who can suffer, including nonhuman animals. (sentientism)
3. If you don't know if it harms others, don't do it. (Precautionary principle)
4. **Ethical business is business that, at the very least, does not harm others.**

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is a form of corporate self-regulation integrated into a business model. CSR policy functions as a built-in, self-regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, international norms and, ideally sustainability. The goal of CSR is to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. CSR should include Life Cycle Analysis of the products (and the waste involved).

SUSTAINABLE DEVELOPMENT

Sustainable Development is a pattern of economic growth in which resource use aims to meet human needs while preserving the environment so that these needs can be met not only in the present, but also for generations to come. The term 'sustainable development' was used by the Brundtland Commission which coined what has become the most often-quoted definition of sustainable development as development that 'meets the needs of the present without compromising the ability of future generations to meet their own needs'.

ECO-CAPITALISM

Eco-capitalism is the view that capital exists in nature as 'natural capital' (ecosystems that have ecological yield) on which all wealth depends, and therefore, market-based government policy instruments (such as cap and trade systems) should be used to resolve environmental problems.

STEADY STATE ECONOMY

A steady state economy is an economy of relatively stable size. It features stable population and stable consumption that remain below carrying capacity. The term typically refers to a national economy, but it can also be applied to the economic system of a city, a region, or the entire planet.

DEGROWTH

A political, economic, and social movement based on environmentalist, anti-consumerist and anti-capitalist ideas. It advocates the downscaling of production and consumption—the contraction of economies—as overconsumption lies at the root of long-term environmental issues and social inequalities. Degrowthists aim to maximize happiness and well-being through non-consumptive means—sharing work, consuming less, while devoting more time to art, music, family, culture and community.

GREEN ECONOMY

The green economy is one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological impact. A feature distinguishing it from prior economic regimes is the direct valuation of natural capital and ecological services as having economic value and a full cost accounting regime in which costs externalized onto society via ecosystems are reliably traced back to, and accounted for as liabilities of, the entity that does the harm or neglects an asset.

CIRCULAR ECONOMY

Circular economy is an industrial economy that is restorative and in which materials flows are of two types, 1) biological nutrients, designed to reenter the biosphere safely, and 2) technical nutrients, which are designed to circulate at high quality without entering the biosphere.

ENVIRONMENTAL LAW

Environmental law is a collective term describing international treaties (conventions), statutes, regulations, and common law or national legislation that operates to regulate the interaction of humanity and the natural environment, toward the purpose of reducing the impacts of human activity. Environmental laws are generally highly defective and inefficient. A possible lay out for a moral framework could be the **Earth Charter** (2000) which is an international declaration of fundamental values and principles considered useful by its supporters for building a just, sustainable, and peaceful global society in the 21st century.

ECO-INNOVATION

The creation of better or more effective products, processes, services, technologies, or ideas that are readily available to markets, governments, and society that are more eco-efficient and more sustainable than existing practices and technology (e.g. solar energy).

C2C DESIGN

Cradle-to-Cradle design is a biomimetic approach to the design of products and systems. It models human industry on nature's processes viewing materials as nutrients circulating in healthy, safe metabolisms. It is a circular economic, industrial and social framework that is essentially waste free. C2C can be applied to many aspects of human civilization such as urban environments, buildings, economics and social systems.

FAIR TRADE

Social movement and market-based approach that aims to help producers in developing countries to make better trading conditions and promote sustainability. Striving for social justice & sustainability.

RETURN OF CRAFTSMANSHIP

An artisan or craftsman is a skilled manual worker who makes items that may be functional or decorative, including furniture, sculpture, clothing, jewelry, household items, and tools or machines such as the handmade devices of a watchmaker. An artisan is therefore a person engaged in or occupied by the practice of a craft, who may through experience and talent reach the expressive levels of an art in their work and what they create. Craftsman can also produce food as farmers, bakers and cooks. The main incentive is **product quality**, not profit maximization. Moving away from managerial thinking. Small-scale, non-hierarchical organizations, like guilds.

ORGANIC FARMING

Organic farming is the form of agriculture that relies on techniques such as crop rotation, green manure, compost and biological pest control. Organic farming uses fertilizers and pesticides but excludes or strictly limits the use of manufactured (synthetic) fertilizers, pesticides (which include herbicides, insecticides and fungicides), plant growth regulators such as hormones, livestock antibiotics, food additives, genetically modified organisms, human sewage sludge, and nanomaterials.

PERMACULTURE

Permaculture is a branch of ecological design and ecological engineering, which develops sustainable human settlements and self-maintained agricultural systems modeled from natural ecosystems. The core tenets of permaculture are:

1. Care of the earth: Provision for all life systems to continue and multiply.
2. Care of people: Provision for people to access those resources necessary for their existence.
3. Setting limits to population and consumption: By governing our own needs, we can set resources aside to further the above principles.

A (partial) application of permaculture is the Transition Towns movement, a grassroots network of communities that are working to build resilience in response to peak oil, climate destruction, and economic instability.

ENVIRONMENTAL IMPACT ASSESSMENT

EIA is an assessment of the impact that a proposed project may have on the environment, together consisting of the environmental, social and economic aspects. The purpose of the assessment is to ensure that decision makers consider the ensuing environmental impacts when deciding whether to proceed with a project. EIAs do not require adherence to a predetermined environmental outcome, but rather they require decision makers to account for environmental values in their decisions and to justify those decisions in light of environmental studies and public comments on the potential negative environmental impacts of the proposal.

ETHICAL CONSUMERISM

Ethical consumerism (or green consumerism) is a type of consumer awareness and activism practiced through 'positive buying' in that ethical products are favored, or 'moral boycott', that is negative purchasing and company-based purchasing. Moving away from fashion (perceived obsolescence), marketing, and advertising (no more billboards), towards a culture of enough. E.g. eco-veganism, No Impact Project, low carbon diet, voluntary simplicity, and activism.