Problems

(1) What is wrong with profit making in relation with nature, future generations, and society?

(2) How can we redefine economic reason to serve sustainable livelihood?
Inspiring sources (1)

Karl Polanyi (1886 - 1964)
Hungarian-American economic anthropologist
Inspiring sources (2)

Edward Goldsmith (1928-)
British-French environmentalist
The Imperative of Responsibility

Hans Jonas
(1903-1993)
German-American philosopher
Inspiring sources (4)

Rationality and Freedom

Amartya Sen (1933-)
Indian-American economist
With its exclusive focus on profit-making, modern business tends to destroy

(i) the integrity and diversity of natural ecosystems,
(ii) autonomy and culture of local communities,
(iii) chances of future generations for a decent life.
1. Critique of the Profit-principle

- Profit is **dangerous** as the main **motivation** for economic activities.

- Profit is **inadequate** as a **sole measure** of economic activities.
Profit as a motivation

- Counter-productive
  (destroys intrinsic motivation and decreases quality)
- Cultivates greed
  (leads to manipulation of others and oneself)
Money as a Drog

The opportunity to make money activates regions of the midbrain called the nucleus accumbens associated with addiction.

Business today behaves like alcoholics.

Business organizations, require treatment and recovery. Disease is a loss of meaning and purpose.
Profit as a measure

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

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

future generations

natural beings
Underrepresented stakeholders

the poor,
marginalized people
Myopic stakeholders
disconting in space and time
Profit is *neither a necessary nor a sufficient criterion* of economic reason.

Economic activities should pass the test of ecology, future generations and pro-socialness to be qualified for economic reason.
Economic activities should be ecological, i.e. should contribute to the preservation and restoration of the natural world.
Future Generations

Economic activities should be future respecting, i.e. should respect the freedom of future generations.
Pro-socialness

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

The First Law
Economic activities may not harm nature or allow others to come to harm.

The Second Law
Economic activities must respect the freedom of future generations except where such respect would conflict with the First Law.

The Third Law
Economic activities must serve the well-being of all stakeholders in society as long as such service does not conflict with the First or Second Law.
The **goal** of economic activities is **not profit-making** but to provide **sustainable livelihood** for those who are involved.
Richness of Being