

THE FOUR PILLARS OF ECOLOGICAL ECONOMY

DEJAN DONEV¹

ABSTRACT. The consequences of the processes of mass industrialization, of unconstrained resource spending and uncontrolled pollution became apparent. The awareness about the survival of the planet, the humans and the rest of the living world, prescribes that it is time when our species has to re-evaluate the consequences of our reckless actions towards ourselves and nature.

New and separate discipline that investigates the phenomena related to ecology and economy is recognized. "Environmental economy" is the economy that should give answers in front of the collision between the economy and the eco-systems, solutions which will bridge the incompatibility between the economic and the ecological notions of "stability", a prerequisite for sustainability of the eco-system and the economical rules such as "growth as inherent logic of the economic system".

Key words: *eco-ethics, nature, environment, ecology.*

REZUMAT. Cei patru piloni ai economiei ecologice. Consecințele proceselor de industrializare în masă, cheltuielile cu resurse și poluarea necontrolată sunt evidente în realitatea curentă. Conștientizarea faptului că planeta trebuie să supraviețuiască, la fel oamenii și a restului lumii vii, ne determină să afirmăm că este timpul ca specia noastră să reevalueze consecințele propriilor acțiuni nesăbuite, împotriva noastră înșine și a naturii. Au apărut discipline noi care investighează fenomenele legate de ecologie și economie. "Economia de mediu" este economia care ar trebui să dea răspunsuri conflictului dintre economie și ecosisteme, soluții care să pună capăt incompatibilității dintre noțiunile de economie și de ecologie a „stabilității”, a condițiilor prealabile pentru durabilitatea ecosistemului și regulile economice, cum ar fi „creșterea ca logică inerentă a sistemului economic”.

Cuvinte cheie: *eco-etică, natură, mediu, ecologie*

¹ Institute for philosophy, Faculty of philosophy, University "St. Cyril and Methodius", Skopje, R. Macedonia. E-mail: donevdejan76@gmail.com

1. Introduction

Although humans are creatures of nature, they have not developed eco-ethical considerations about the nature until the last century. In this context, the consequences of the processes of mass industrialization, of unconstrained resource spending and uncontrolled pollution became apparent. That is because the industrial society where we are situated did not take into consideration the value behind inseparability of the nature – things and beings in nature do not possess value intrinsically, but they possess value only from our point of view! That makes life harder and the question of existence is relevant to everyone. Hence, the problems related to the anthropological influences towards nature became global. The environmental states and the ecological crisis are increasingly brought to spotlight not only in the academic community, but before the wider audience as well. The ecological crisis is deeply embedded in the development of the modern civilization, threatening the function of the biosphere and the societies in whole, which brings the question of the humans as natural and social beings. The awareness about the survival of the planet, the humans and the rest of the living world, prescribes that it is time when our species has to re-evaluate the consequences of our reckless actions towards ourselves and nature.

2. Regress instead of progress!?

Contrary to this, towards the end of the 19th century, many futurologists predicted that in 20th century, humanity will solve its issues and there will be true progress which will bring new type of utopia on our planet. Among this predictions which became true are the invention of the telephone, telegraph, the railway system, cars, electricity, free trade and liberalization of the markets, assembly line manufacturing which brought mechanized, modern industrial society that is both efficient and productive... In that regard, humanity did not have opportunity to accumulate its riches until the last 150 years, after the industrial revolution. In the meantime, the damage and the ecological misbalance created by the industries and the economies could not be surpassed by any other example in the history, although the awareness about these issues began to develop with the emergence of the industrialization and urbanization.²

² For comprehensive overview of the differences between the economy and ecology, look for the concepts of external economy and diseconomy by the British economist A. Marshal.

In other words, the changes that steer our civilization have assumed their most harmful form since the industrial revolution. They can be expressed as:³

1. We are against our environment;
2. We are against other people;
3. Emphasis is put on the individual, which states that the individual (or the company, or the nation in isolation) is most important.

The history of the last century admits that these beliefs were erroneous, as witnessed through the grand, but destructive achievements of our technology and industry. No one thought that world wars, mass pollution or nuclear weapons, the dark sides of the 20th century, are possibilities. These beliefs are erroneous according to the contemporary ecological theory as well. The creature that defeats its environment destroys itself!⁴

3. Environmental economy – Reality or oxymoron!?

With the emergence of the assembly line manufacturing, radical overturn changed the relation of humanity towards the life world and the nature at all. Humans became the center of development. The rise of the industrial systems grew rapidly, beginning to occupy, colonize, alter, exploit, pollute and destruct. Although the industrial mass production brought human above nature, it offered higher potential and degree of destruction and decadence. That is why this environmental threat should be located and processed through all levels, starting from the system of values, way of living, politics, law, and especially in the economy, where the business operate.

In this context, the current challenge is to imagine the economic growth which will be both sufficient to supply the demand of the humankind and be eco-friendly, meaning that it can halt the destruction of the eco-systems, aiming to reduce the pollution to reasonable levels. The most urgent matter is inventing the eco-economy. The business community and all of its stakeholders are in need for new and broader perspectives. It is necessary to re-evaluate the viewpoint that we hold when we speak about productivity or any other business-related topic! This should be both pragmatic and ethical – the pragmatism should be balanced with the *holistic approach* for the interconnectedness of the world and the laws of nature, or with other words, ethics and ecology. That should not be pursued with quientistic approach, but with proactive investigating, motivating and influencing all of the different states – through the ethical foundations of the ecological awareness and action.

³ Gregory Bateson, *Steps to an Ecology of the Mind: Collected Essays in Anthropology, Psychiatry, Evolution, and Epistemology*. Ballantine Books, New York, 1972, pp.134.

⁴ *Ibid.*, pp. 29.

The pragmatic viewpoint which is goal-oriented and drives changes, does not always respect open mindedness or ethics. Ethics and ecology should be deeply investigated, because the short-term gains that run over the ethical and ecological principles are unsustainable. The next generation of the business community should pursue profits while maintaining the ethical norms and careful considerations for our environment. The thesis that maintains “the competitive nature of the business community which turns people against other people, pushes the whole humankind against the natural world” is dysfunctional. If this logic regards “people as commodity, it can easily commodify every part of the nature, turning it into a resource that can be irresponsibly made and sold out”.⁵

New and separate discipline that investigates the phenomena related to ecology and economy is recognized. “Environmental economy” is the economy that should give answers in front of the collision between the economy and the eco-systems, solutions which will bridge the incompatibility between the economic and the ecological notions of “stability”, a prerequisite for sustainability of the eco-system and the economical rules such as “growth as inherent logic of the economical system”.⁶

The results of the rapid technological and commercial growth with the broken and unjustified change in the balance of nature through exhausting the resources and pollution are apparent. The production that is guided solely by profit, power and prestige, is becoming one of the most terrifying reasons for devastating the nature. The essence of the problem is contained in the ecological shortsightedness and greediness of those who possess economical and political influence, whose constant priority is economic growth – they are motivated by the values founded on profits.⁷ Although everyone is convinced that the basic aim of the economic activity is profitability and utility, it is not clear whether they accept continuous and rampant economic growth at the expense of the natural resources.

In this regard, there business models that put profits on first place cannot hold any credence. In the contemporary IT society, we accept the business and ethical practices with fast pace. We consume more information about the activities of the business and the industry, about the local and general consequences. This demands basic ethical and ecological standards in the evaluation and activity of the economy. The eco-ethical perception should be brought in the business activities. The companies should nurture altruistic

⁵ M. Bookchin, *Prema ekološkom rešenju*. Beograd, 1982, pp. 43.

⁶ More details provided in G.A. Cole, *Management-Theory and practice*, DP Publications Ltd, London, 1993, pp.223-297.

⁷ More details provided in Andre Gorz, *Ecology as Politics*, South End Press, 1979, pp.83-120 & pp.144-160.

regards, despite their motivations for profit. Our capability for holistic approach is more than needed, where we view ourselves and the business from different angle, as part of bigger system.

4. The four pillars of ecological economy

In the business, apart from the six interest groups, there should be one instance which will be on top. The humankind demands strict moral evaluation – the future is under threat. From here on, the eco-ethical principle, as the eighth part, should be top priority. With other words, the protection of the environment which collides with the short-sighted business opportunities should prevail. In order to formulate the priorities in the decision-making process, we should primarily be concerned about the long-term effects over the environment. We must go above the narrow-minded understandings about the environment, towards embracing broader ecological perceptions.

In that context, the following form of higher standards is offered, which is the knowledge about the ecology and messages of the ecological ethics that are part of the most important elements of the new bioethics awareness and human behavior:

1. Economical activities should be constrained so that they could not threaten the existence of humankind and disgrace the individual;
2. The economical activity should protect and nurture life as way of existence;
3. The economical activity does not mean profits at the expense of nature, but understanding nature as the sole basis for life on Earth;
4. Economical activity pursued in a undisputed manner regarding the maintaining of the biodiversity, where these actions would protect life, and humans will be held responsible;

Mankind today is faced with the biggest challenge so far - to save the nature from irreversible destruction. The man disrupted the natural balance to catastrophic proportions with actions that border madness. That is why it is once again needed to cultivate its relationship to a boundary beyond which further actions that imply negative impact wouldn't be allowed. Therefore, for a longer period, most of the attention is focused on the business communities - as polluters and agents of the unstoppable growth. The functioning of the business communities has to be diverted to a friendlier course towards the nature because otherwise the quality of life is declining and the survival for all of us is at stake.

Reorganization based on pressure is impossible because the business and the industry are hard to percept with unclear and unstable models of ownership, as well as diffuse production. They only contain the technical and the economic components needed for the reconstruction. Carrying out activities upon command is much harder, more unacceptable, less efficient and less continuous compared to self-aware actions. But the ones that manage it are more under sway of the moral judgments in their decisions which have far less efficient action - complete responsibility for the environmental effects.

It's about the category of decision making function - the management. In such conditions, the philosophy of the management has high continuity. In this time of dramatic and fast changes on the market, the management policy is more important than ever before. Therefore, the question whether it is possible to implement reorganization without pressure and orders, through ethical and ecological awakening as a motivation and driving force, as development and nourishing in the practice of one ethical category - the responsibility of the managerial component of the business community?

If the business goals at the same time are also oriented towards the protection of the environment, and besides that are profitable, that should be rewarded. If that is not the case, in this scenario no one can allow to sit aside and wait, to transfer the guilt to anyone else, to position the profit as singularly valid, while the cradle of life (the nature) is left on its capacities of self-regeneration which is no longer possible. The eco-ethical standards in the business communities must be the driving force of one all-inclusive ethics of life.

That is the case because everyone has the responsibility, everyone has influence, and everyone has interest to develop a business that has to be directed towards preserving the environment in the broadest ecological sense. Namely, in this sense, a new ethics of responsibility of the human for the protection of the environment is needed, namely as defined by Hans Jonas, "the ethics of the solidarity of the human with the organic world, in a way that the commitment for the future collective behavior of the human in conditions of technical civilization would clearly include the future of the nature too"⁸. Otherwise, what is the purpose of the earnings if there are no living conditions in which they can be invested and increased, if they, the living conditions of the personal livelihood, through which the earned is accumulated, are ruined. Mankind must, mostly through the business communities, stick to the ethical principles of its own natural living environment in order to obtain the right implications for broader and systematic perspective of the business and life in general.

⁸ Денко Скаловски, *Етика на одговорноста*. Vigos, Скопје, 2005, p.111.

5. Conclusion

At the end, the business and the industry should follow certain basic eternal ethical standards. To formulate the benefits of decision making, the long term care for the environment must always be primary concern. In the process of formulating the priorities in the decision making process, the broad interests of the environment must dominate above all others. That is why the four aforementioned standards are taken as a higher instance. Though, besides the fact that these are higher standards for business activities, they do not overlook the lower standards like the concentration in the resolve of ecological problems, the positive access to the living environment, improving the low level of ecological consciousness of the people, the rejection of the indolence and upgrading the lack of determination to do real actions for the protection of the environment...

Furthermore, they indicate how the standards should impact or how should they be ranked as priorities because the facts are simple: "The influence of the industrial development on the environment causes essential changes that are visible in each of its parts. The industrial system is aggressively taking over the natural environment and is gradually changing and destroying it"⁹. Therefore it is final time to raise awareness and to start acting according to the eco-ethical standards, to immerse to the roots of life, leaving them unharmed. Namely, the "ecology as ethics of communicating between the people and the environment, but also between themselves, makes us remember that we should repair the state of nature, our foundation of existence. This opportunity should not be missed, because the spiritual blindness can overcome the reason and the ecological revolution can fall in front of the despotism of the carelessness!"¹⁰

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⁹ Herbert Gruhl, *Jedna planeta je opljačkana*. Prosveta, Beograd, 1985, p. 98.

¹⁰ Кирил Темков, *Од секоја страна*. ЛЕАП-Инфо, бр. 6, Скопје, 2003, p.2.

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