The Corporate Sector – A Major Barrier to Moving to Ecological Rationalism from Economic Rationalism

Ian McGregor, Lecturer, School of Management, University of Technology, Sydney ian.m.mcgregor <u>d</u> uts.edu.au - PO Box 123, Broadway, NSW 2007

Abstract

Ensuring the health of the earth's eco-systems is critical to ecologically sustainable development, a development path along which the maximisation of human well-being for today's generations does not lead to declines in future well-being. Our levels of consumption, resource usage, emissions and waste, in all developed countries, continue to grow from levels that are already well in excess of ecologically sustainable levels. Much of the pressure for this continuing unsustainable growth comes from an increasing powerful corporate sector, which is locked into a system that requires continually increasing profits. These increasing profits are achieved through growth in revenues, usually with increased resource use and often with increased pollution and waste. This economic growth focus of our current political, economic and business systems fails to recognise the ecological limits to human activity systems and continues to damage the earth's eco-systems.

In order to progress towards Ecologically Sustainable Development, major systemic changes at the societal level are required in order that our human activity systems including our economic systems function within the limits of earth's eco-systems. Our political-economic system must change in order to eliminate ecological stress and repair past environmental damage.

We, therefore, urgently need an end to unsustainable business as usual from almost every business because our planet's eco-systems are under severe and increasing unsustainable pressure from our human activity systems, driven particularly by our economic and business systems.

Ensuring that society moves towards Ecologically Sustainable Development and that businesses move towards an ecologically and socially sustainable business model will not be easy but it is important, urgent and necessary. Major societal change is also required to make significant progress towards Ecologically Sustainable Development. This societal change will result in a range of major government measures to ensure ecological and social sustainability of the business sector.

1. Introduction

This paper seeks to explain why, in my view; the current development path in Australia and most other developed countries is unsustainable. It then argues that one of the major reasons for this continuing unsustainable development is the political, societal and

business priority given to unsustainable economic growth. The next section therefore aims to identify some of the reasons for the continuing political, societal and business priority currently given to unsustainable economic growth. It identifies that much of the pressure for this continuing unsustainable economic growth comes from an increasing powerful corporate sector, which is locked into a system that requires it to produce continually increasing profits.

2. Sustainable Development

There seems to be broad consensus that Sustainable Development or Sustainability is a necessary and appropriate direction for human society to pursue – whether at a state – Western Australia, national – Australia or Sweden (Commonwealth Government 1992; Swedish Ministry of the Environment 2001; Government of Western Australia 2003) or global level - three World Summits on Sustainable Development – 1992, 1997 and 2002.

The best known and probably the most widely used definition of sustainable development was put forward in 1987 by in the Brundtland Report:

"Sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED 1987)."

17 years later, what this definition means and how progress towards sustainable development can best be made remain far from clear. Among the reasons for this is that to define sustainable development one must first answer at least the following questions:

- 1. For whom is it to be sustained?
- 2. What is to be sustained?
- 3. What type of development is acceptable? (Riedy 2003)

"The answers to these questions are not objective and universal, but subjective and personal. The answers, and therefore the meaning attached to sustainable development, depend strongly on the values of the definer (Riedy 2003)."

3. Unsustainable Development

A key underlying premise of this paper is that the current development path being pursued by Australia and other developed countries is unsustainable. In order to support the premise, I am therefore going to pose similar questions to those outlined above, with questions 2 & 3 in the negative, in order to define unsustainable development.

I will then use my answers to these questions to develop the argument that the current development path is unsustainable. These questions are:

- 1. For whom should it be sustained?
- 2. What is not being sustained that needs to be sustained?
- 3. What type of development is unsustainable?

I have argued in Section 2 above that sustainable development is not objective and universal but depend strongly on each individual's view of the world. Is unsustainable development therefore just my view of the current social reality? Is everyone else's view, including many who believe the current development path is sustainable equally valid? In order to address these questions, I am going to try to make the difficult distinction between the subjective and the objective in relation to unsustainable development.

3.1. For whom should it be sustained?

Human Society – this Generation and Future GenerationsMy approach is that primarily anthropocentric - sustainable development is to ensure intra-generational and inter-generational equity among the human race. This is an anthropocentric (human centred) view of sustainable development and other views propose that the focus should be on protecting "the full richness and diversity of life forms on the planet" as advocated by Arne Naess and the Deep Ecology movement (Zimmerman and al 1998). I admit this is desirable and would suggest that by eliminating continuing damage caused by human activity and then restoring eco-systems, we can make progress towards substantially reducing the adverse impacts of humanity on the rest of the diversity of life on earth.

In 1990, the Commonwealth Government proposed the following definition for Ecologically Sustainable Development(ESD) in Australia:

"Using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased.

Put more simply, ESD is development which aims to meet the needs of Australians today, while conserving our ecosystems for the benefit of future generations. To do this, we need to develop ways of using those environmental resources, which form the basis of our economy in a way, which maintains and, where possible, improves their range, variety and quality. At the same time we need to utilise those resources to develop industry and generate employment. (Commonwealth Government 1992)."

International sources, such as the Brundtland report quoted previously, also tend towards an anthropocentric approach to sustainable development. For example, the OECD defines sustainable development as:

"a development path along which the maximisation of human well-being for today's generations does not lead to declines in future well-being" (OECD 2001).

In summary, my view and most views relating to for whom it should be sustained relate to humanity, with some in the Deep Ecology movement proposing all life forms (Zimmerman and al 1998). This is, however, clearly a subjective area, with a variety of views in relation to for whom it should be sustained.

3.2. What is not being sustained that needs to be sustained

Earth's Ecosystems

Earth's ecosystems have taken billions of years to evolve and are certainly the only set of ecosystems in our solar system currently supporting any significant life forms.

There is substantial evidence that human activity is already inflicting an unsustainable level of damage on many of earth's major ecosystems. The Worldwatch Institute (2002) and the World Resource Institute (2002) document continuing deforestation and desertification, precipitous declines in biodiversity, increasing land degradation and increasing greenhouse gas emissions resulting in global climate change. There is strong objective evidence from these and other sources that our current global development path is unsustainable for the earth's ecosystems. Some of the major problems are shown below.

Table 1: Our Impact on Earth's Ecosystems

Percentage of global agricultural lands showing soil degradation	65%
Decline in global forest cover since pre-agricultural times	50%
Percentage of global fisheries overfished or fished at their biological limit	75%
Percentage of world population living in water-stressed river basins	41%
Percentage of normal global river flow extracted for human use	20%
Percentage of major river basins strongly or moderately fragmented by dams	60%
Percentage of Earth's total biological productivity diverted to human use	40-50%

Source: (World Resources Institute, United Nations Development Programme et al. 2002)

There is objective evidence that many global ecosystem problems are not only major problems, but also urgent problems. For example, there is strong and increasing evidence that Australasian and global economic growth (with increased greenhouse gas emissions) is causing substantial and in the short to medium-term irreparable ecological damage to the atmospheric ecosystem and the welfare of future generations throughout the world. There has been an increase of global temperatures due to greenhouse gas emissions to levels above those prevalent on earth for 120,000 years (Intergovernmental Panel on Climate Change (IPCC) 2003).

Australian Ecosystems

A recent report indicates that Australia's greenhouse gas emissions are the highest per capita of any industrialised nation (Turton 2004). Other reports indicate that land degradation, deforestation and increased dryland salinity are major problems (Christoff

2002) for Australian ecosystems. The Australian State of the Environment Report 2001 notes "the state of the Australian natural environment has improved very little since 1996, and in some critical aspects, has worsened." There is also therefore strong objective evidence that our current Australian development path is unsustainable for Australian and global ecosystems.

Human Society - Global and Australian

Given an anthropocentric approach to sustainable development is adopted, what needs to be sustained and ideally enhanced is human society. This can be defined as social sustainability. Social sustainability, like sustainable development, is an abstract social construction aiming to signify a preferred mode of development or a subjective view of a preferred future social reality. Given the adaptability of humans, there are likely to be a very wide range of socially sustainable societies and cultures that can exist without causing damage to ecosystems.

On global level, particularly in developing countries, there are circumstances where human survival by meeting basic needs for food and shelter can cause damage to ecosystems and be unsustainable. With Australia's level of development and resources there are no reasons why human needs cannot be met in Australia without damaging ecosystems. The evidence indicates that we are sustaining most members of Australian society reasonably well, with life expectancy among the highest in the world, except for our indigenous population(ABS 2004). The problem is that we are not sustaining our Australian society without causing significant damage to ecosystems as discussed previously. Australian use of resources is also almost certainly in excess of sustainable levels, as outlined in the next section.

Resources - Non-renewable and renewable - Global and Australia

Herman Daly, one of the world's leading ecological economists argues that a sustainable society:

- does not use non-renewable resources faster than renewable substitutes are developed for them;
- does not use renewable resources faster than they regenerate(Daly 1991).

Neither the world nor Australia currently meets these criteria in terms of being sustainable. We are using fossil fuels and other mined minerals faster than renewable substitutes are developed for them. We have also depleted fish stocks, timber resources and a wide range of other renewable resources faster than they regenerate (Meadows, Meadows et al. 1972; WCED 1987; Meadows, Meadows et al. 1992; OECD 2001; World Resources Institute, United Nations Development Programme et al. 2002; Worldwatch Institute 2002)

3.3. What type of development is unsustainable?

Given the answers outlined above, all types of development that have:

- an adverse impact on eco-systems;
- an adverse impact social sustainability in human society;
- use non-renewable resources faster than renewable substitutes are developed for them:
- use renewable resources faster than they regenerate.

Our current global and Australian development path is therefore not sustainable as it has an adverse impact on eco-systems, uses non-renewable resources faster than substitutes are developed for them and uses renewable resources faster than they regenerate.

Globally, it is also clear that our current development path is unlikely to be socially unsustainable. The wealth and the mega-rich individuals of the developing countries is in stark contrast to 200 million children under five who are underweight due to lack of food; 14 million children who die each year form hunger related diseases and 800 million people who go to bed hungry each night (International Forum on Globalization 2002).

The evidence on social sustainability in Australia is less clear. There is no strong evidence of our current development path being socially unsustainable, except for indigenous Australians, who have a life expectancy well below the non-indigenous population (ABS 2004).

Given that it is over 30 years since "The Limits to Growth" concluded that our current global development path was unsustainable (Meadows, Meadows et al. 1972) and over 10 years since all major countries committed themselves to the precautionary and other sustainable development principles in Agenda 21. The version of the precautionary principle adopted by Australia was "where there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation (Commonwealth Government 1992)".

The key question that arises therefore is why we, in Australia and in most other countries, are still pursuing an ecologically unsustainable development path. The following section will seek to address this question.

4. Why is it so Difficult to Move Away from Continuing Unsustainable Development?

4.1. Major Societal Change is not easily achieved

The question about why it is so difficult to move away from continuing unsustainable development is difficult to answer. Based on the fact that there have been three World Summits on Sustainable Development over the last 10 years, sustainable development is clearly seen as an important global issue. In addition, all Australian governments endorsed a National Strategy for Ecologically Sustainable Development in 1992 (Commonwealth Government 1992) and Western Australia launched its State

Sustainability Strategy in 2003(Government of Western Australia 2003). It is, however, clearly debatable whether there has been any significant move away from Australia's and the world's unsustainable development path to a more sustainable development path. Certainly a lot of literature and rhetoric, but it is difficult to identify significant progress.

Geoffrey Heal argues that there are three main reasons:

- 1. we place too little value on the future:
- 2. we do not recognize the great value of many environmental systems: we are not conscious of the importance of natural ecosystems to modern societies;
- 3. the economic incentives are all wrong which relates back to the second reason (Heal 1998).

Lester Milbrath identified one of the major stumbling blocks to a sustainable society is the key premises held by the leadership groups in most societies which he called the Dominant Social Paradigm. He defines a paradigm as a set of belief systems. One of the key problems that he identifies with the Dominant Social Paradigm is that it includes continued economic growth. This problem is explored in more depth in the next section. He identifies the need to move towards what he calls the New Environmental Paradigm in order to make substantial progress towards sustainable development (Milbrath 1994).

Richard Slaughter (1996) has a similar perspective:

"For several decades evidence has been mounting that the worldview upon which the industrial system - and hence the entire modern world - is built, is defective. In earlier times critics of progress could be silenced or ignored. But that is no longer the case. With each passing year the global system is sending increasingly clear messages to humanity. The signals of stress and over-use suggest that we should moderate our collective impacts, develop a greater respect for natural systems and moderate industrial exploitation with long-term stewardship - all of which are easy to discuss but almost certainly impossible to achieve within a taken-for-granted industrial worldview."

Heal's, Milbrath's and Slaughter's views raise the question what will it take to make substantial changes in societal values, priorities and major paradigms (belief systems) and the taken-for-granted industrial worldview that drive unsustainable development. Societies are constituted by history, culture, institutions and roles that become legitimated and institutionalised. It must be remembered, however, that the "social order was made my men - and therefore can be remade by them" (Berger and Luckman 1967). We are where we are as a consequence of intentional decisions made by human beings. There is nothing inevitable about it. We as human beings can make different choices and create different institutions to institutionalize different values and create different dynamics.

Different values, institutions and dynamics are almost certainly necessary to move from unsustainable development to sustainable development. In the area of politics, economics, governance, production, commerce, business organisation and the system within which business operates - what these different values, institutions and dynamics

would have to be and how we move towards them in order progress towards sustainable development is a critical question.

Berger and Luckmann (1967) also identify that a reason why major societal change is so difficult is due to reification. Reification means that we tend to view the social order, societal priorities and institutions as real, concrete things rather than things created by society that can be changed by society. Legitimation of the institutional order is a necessity to avoid anarchy. Reification and legitimation also, however, create inertia (Miller 1994; Slaughter 2004) that represent a major barrier to be overcome in order to achieve the major societal change that is required to move from unsustainable development to sustainable development.

4.2. Unsustainable Development and the Three-Pillars of Sustainable Development or Sustainability

The terms sustainable development or sustainability are much more commonly used than Ecologically Sustainable Development(ESD). Many of the definitions and approaches to societal sustainability or sustainable development, are, however, based on three pillars model. This is focused on balancing economic, social and ecological or environmental issues. The economic pillar is often defined as representing long-term economic growth. For example, the World Business Council is committed to "sustainable development via the three pillars of economic growth, ecological balance and social progress" (World Business Council for Sustainable Development Accessed February 2004). Clearly if you define sustainable development using economic growth as one of its three major pillars, it is then impossible to argue that economic growth is incompatible with sustainable development. If economic growth is not compatible with sustainable development then the three pillars approach (if it includes economic growth as a pillar) is a representation of an unsustainable form of development.

This raises the following major question:

• Is economic growth incompatible with an ecologically sustainable form of development?

This is answered in the following section.

5. Is Economic Growth incompatible with Ecologically Sustainable Development?

"Anyone who believes exponential growth can go on forever in a finite world is either a madman or an economist." - Kenneth Boulding (1965)

Economic Growth is defined as "an increase in the total output of a nation over time. Economic growth is usually defined as the annual rate of increase in a nation's real GDP". Nominal GDP is the value at current market prices, of the total final output produced inside a country during a given year. Real GDP is nominal GDP corrected for price inflation (Samuelson and Nordhaus 2001).

In relation to whether continued economic growth is compatible with ESD, the main argument relates to whether we can continue to grow the total output of the economy without breaching ecological constraints in terms of sources of materials and sinks for waste and pollution.

In 1972, Donella Meadows was the lead author of "The Limits to Growth" which was one of the first books to question whether economic growth was unsustainable (Meadows, Meadows et al. 1972). One of its main conclusions was:

"If the present growth trends in world population, industrialization, pollution, food production, and resource depletion continue unchanged, the limits to growth on this planet will be reached sometime within the next 100 years. The most probable result will be a sudden and uncontrollable decline in both population and industrial capacity."

A subsequent book "Beyond the Limits - Global Collapse or a Sustainable Future" (Meadows, Meadows et al. 1992) puts the argument even more strongly that economic growth was endangering the ecological limits of the planet. It argued that that in spite of the world's improved technologies, the greater awareness, the stronger environment policies, many resource and pollution flows had already grown beyond their sustainable limits. It claimed that the human world is already beyond its limits and the present way of doing things is unsustainable. It also notes that:

"our planet develops over time without growing. Our economy, a sub-system of the finite and non-growing earth, must eventually adapt to a similar pattern of development".

The recent work published on the Ecological Footprint (Wackernagel, Schulz et al. 2002) confirms this view and suggests that with current consumption patterns we reached the ecological carrying capacity of the earth in the 1970's and by 1999 exceeded its carrying capacity by 20%, an unsustainable level. Further economic growth is therefore going to make the situation even more unsustainable, particularly, as there is no significant evidence of substantial decoupling between economic growth and resource use and sink use(OECD 2002). Resource use, waste and greenhouse gas emissions are still increasing in most OECD countries, including Australia, albeit at a slightly slower rate than overall economic growth (OECD 2002).

Despite this, in Australia and most developed countries, economic growth is still seen as a major social priority in the dominant construction of social reality (the Dominant Social Paradigm). It is supported by all of the major political parties and relatively unquestioned by most institutions and other parts of society, particularly the business sector.

There is also strong evidence from Australia (The Australia Institute 2002; Hamilton 2003) and most other developed countries (Daly and Farley 2004) that economic growth has ceased to be a good measure of increasing human welfare for all developed countries since about 1980. It also does not increase happiness (Hamilton 2003; Layard 2003).

Daly has recognized the problem of "Uneconomic Growth"— where the environmental and social costs of economic growth are more than the benefits of increased output and the need for a "Steady-state economy" (Daly and Farley 2004). In Australia and many developed countries, the evidence indicates that we are pursuing <u>uneconomic growth</u> or, put another way, <u>unsustainable economic growth</u> and we need to move to an ecologically and socially sustainable economy and society.

5.1. Unsustainable Economic Growth and the Corporate Sector's Need for Growth

The business sector comprises two major types of business organisations. The first I will refer to as the corporate sector and it comprises of businesses whose shares are listed and traded on Australian or overseas stock exchanges. The business organisations in this sector, I will refer to as corporations. The rest of the business sector consists of all other businesses, sole traders, family businesses and privately owned companies. These other businesses have greater freedom in how they operate and may or may not see growth as a major priority. However, as the corporate sector represents the majority of the business sector in terms of sales revenue and profits in Australia and most developed countries; it is therefore a major force in how the business sector operates overall.

Economic growth is strongly supported by the corporate sector. This is because the systems within which these corporations operate require that their main focus is not only on profits for shareholders but continual growth of profits to provide increases in the share price (Weston and Brigham 1975; Mander 2001). The directors and management of these corporations are also focused on growing profits because poor profit growth often leads to a corporation being taken over or a change of Chief Executive and executive management by the Directors (Hanson, Dowling et al. 2001). If the corporation is taken over, job losses among the directors, staff and the management of that corporation are commonplace (Hanson, Dowling et al. 2001).

The institutional framework within which these publicly owned corporations operate ensures that the primary focus is on profit and profit growth, even although the corporation may report a triple bottom line or place a major emphasis on corporate citizenship. The reason for this is that the most intense and continuous scrutiny of the corporation almost always comes from the financial market, through stockbroker and fund manager analysts. These analysts' primary focus is on the expected level current and

future profits of the corporation they research. As their research reports and presentations can have a major influence on the major shareholders of the corporation (major superannuation/pension funds, other institutional and individual investors), they strongly reinforce the primacy of profits as an objective.

Growth of profits is usually achieved through increasing revenues. This is much easier in an economy that is growing; hence the reason that corporations are a major societal influence encouraging economic growth as a major societal priority. There is also pressure on business to continually reduce costs to increase profitability. Where this increase in profitability is achieved by dematerialisation or reduced energy usage, it will have some positive impact on ecological sustainability but where it is achieved by reduced labour input; it will have an adverse impact on social sustainability.

This leads to the other rationale used by business and others to support economic growth. They claim that economic growth is necessary to maintain unemployment at acceptable levels (Hayden 1999). A change is required so that by work time reduction and other full employment measures, we can generate a better quality of life and full meaningful employment and move towards ESD (Hayden 1999).

The push for growth in revenues by the corporate sector also drives continuing unsustainable production and consumption as it increases resource use, waste and harmful emissions. At the 2002 World Summit on Sustainable Development, world leaders agreed that eliminating unsustainable production and consumption is one of the three overriding objectives of sustainable development (WSSD - World Summit on Sustainable Development 2002). New models are needed in order to create a corporate sector that is not focused on continued revenue growth without regard to ecological limits.

Ecologically sustainable development requires a long-term focus on the complex issues involved in ensuring the well-being of this and future generations and of eco-systems, which often are relatively resilient. Our current business systems have a short-term focus. This is partly due to the discount methods that business applies to future revenues and profits – business discounts the future in favour of the present. Non-renewable natural resources have to be exploited as quickly as possible as the revenue and profits gained now are worth more than the same dollar value of revenue and profits gained a year from now and much more than the same revenue and profits gained 20 years from now. Business is also the major contributor to the ever-worsening "tragedy of the commons" – through increased greenhouse gas emissions and exploiting other eco-system services and natural resources which our current economic system using the "economically rational model" provides to business at little or no cost.

The system within which major corporations operate therefore creates a strong political and economic force supporting economic growth, even though it is unsustainable, as a major societal priority. This particularly applies to those corporations that are publicly traded and are therefore part of a system that has as its primary focus sustained profit growth. Achieving this profit growth across most of these companies would be

impossible without continuing economic growth. Major systemic change is therefore required in order to move away from a system where economic growth linked to corporate profit growth and a short-term focus are likely to further destroy and damage earth's and Australia's eco-systems.

6. Corporations, Politics and Democracy

Is it in our nature to be democratic? Perhaps we can draw some confidence from nature itself. Human beings are a part of the natural world. The table on the following page summarises how the fundamental nature of human individuals and communities might be seen to flow from the processes of nature. In contrast, we observe that the nature of the modern business corporation, a legal entity, is wholly in opposition to the way nature and human beings "work." Business corporations are therefore life-destroying institutions as presently designed (WILPF 2004). The problem is that these life-destroying institutions are also becoming increasingly powerful global institutions in our modern societies.

National governments could require business corporations that operate in their country to operate in an ecologically sustainable manner or withdraw their licence to operate. The idea of licensing businesses and requiring them to prove that they are operating in the public interest is far from new. It applied in the late 18th and early 19th century in the United States, where Charter Corporations had to apply at the end of their Charter (usually 10 or 20 years) to have their Charter renewed by the relevant state legislature. This arrangement allowed the state legislatures to only renew the Charter for corporations where the directors and management could show they were operating in the public interest as well as their management's and shareholders/investors' interests (Ritz 2001). A major challenge in achieving this in contemporary Australian society is that the major political parties receive 80% of their funding donations from business (AAP 2004). We therefore have major corporations having a strong influence over the political and governance structures that we need to control them in order to make significant progress towards ESD.

Table 2: Nature, Human Community, and the Corporation: Characteristics and Contrast

How Nature "works," Nature's "being	j"	Fundamer nature of t human be	he	Nature of community and institutional arrangements that "work"	Nature of the modern business corporation, a nonbeing	
Works toward the recreation of balance No excesses; does not accumulate Everything is limited Nature's creatures are participants through the niche they occupy		Not ultra-acquisitive Non-hierarchical, egalitarian Participatory		Limits on accumulation (from power to paper clips) Equality of access to participatory processes	Endless growth and profit imperatives Hierarchical, authoritarian, non-participatory, de-humanizing	
Diverse Not mass produced Perishes in imbalance of uniformity		Valuing/including of diversity		• Integrating of <u>all</u>	Homogenizing	
• Mutuality within community – one species gives something that another needs		Communal, cooperative, nonviolent		Cooperation as basis of social interaction Community-building aims and methods	Competition and aggression imperatives	
Nature runs on renewable energy and resources (sun, wind, biomass), not capital resources Cyclical Birth and death are beginnings of one another Waste is input and everything is accounted for		Protecting of Earth, conserving		Sustainable economies based on power residing with workers, people, communities, and in harmony with nature	Exploitive, degrades, depletes Linear, wasteful, externalizes costs Does not die	
Nature is filled with mystery Being, needing the spiritual		ling the	• Public policy guided by affirmation/ reverence for life; moral	Amoral, aspiritual		
*Relational, scale						
Leading to these types of political manifestations:						
Common Sense * I		* Elements of peace economy * Democratic * Post-patriarchal		* Elements of a war economy * Antidemocratic * Patriarchal		

Source: Adapted from (WILPF 2004)

7. Conclusions and Recommendations

"At every level the greatest obstacle to transforming the world is that we lack the clarity and imagination to conceive that it could be different" – Roberto Unger (Smolin 1997)

Economic growth, strongly driven by the corporate sector, continues to stop Australia, New Zealand and most other countries making significant progress towards Ecologically Sustainable Development(ESD). The system within which the corporations operate requires that directors and management of large sharemarket listed corporations focus on continually growing profits to increase the value of the shares in order for the corporations to survive and not be taken over. We, therefore, urgently need to change the system to put an end to unsustainable business as usual from almost every corporation. This is because our planet's eco-systems are under severe and increasing unsustainable pressure from our human activity systems, driven particularly by our economic and business systems.

Ensuring that society moves towards ESD and that businesses move towards an ecologically and socially sustainable business model will not be easy but it is important, urgent and necessary. Major societal change is also required to make significant progress towards ESD. This societal change will result in a range of measures to ensure ecological and social sustainability of the business sector.

I will leave you with an unacademic quote from the Lorax by Dr Seuss:

"Unless someone like you cares a whole lot, Nothing is going to get better, It's not."

References:

AAP (2004). Political donations revealed. The Age. February 3, 2004. Melbourne.

ABS (2004). Measures of Australia's Progress. Canberra

Berger, P. L.T. Luckman (1967). The Social Construction of Reality: A Treatise in the Sociology of Knowledge. New York, Penguin.

Boulding, K. E. (1965). *Earth as a Space Ship*. Washington State University Committee on Space Sciences.

Christoff, P. (2002). In Reverse. Melbourne, University of Melbourne.

Commonwealth Government (1992). National Strategy for Ecological Sustainable Development. Canberra.

Daly, H.J. Farley (2004). *Ecological Economics: principles and applications*. Washington, DC, USA, Island Press.

- Government of Western Australia (2003). Hope for the future: the Western Australian state sustainability strategy. Perth, Australia
- Hamilton, C. (2003). Growth Fetish. Crows Nest, NSW, Australia, Allen & Unwin.
- Hanson, D.P. DowlingM. HittR. D. Ireland (2001). Strategic Management Competitiveness and Globalisation. Southbank, Victoria, Australia, Nelson Thomson Learning.
- Hayden, A. (1999). Sharing the work, sparing the planet: work time, consumption, & ecology. London, Zed Books.
- Heal, G. (1998). Markets and Sustainability. Accessed June 2004. http://www-1.gsb.columbia.edu/faculty/gheal/EnvironmentalEconomicsPapers/pw-98-02.pdf
- Intergovernmental Panel on Climate Change (IPCC) (2003). Climate Change 2001: Working Group I: The Scientific Basis, IPCC. Accessed October 2003. http://www.grida.no/climate/ipcc tar/wg1/fig2-22.htm
- International Forum on Globalization, Ed. (2002). Alternatives to economic globalization: a better world is possible. San Francisco, USA, Berrett-Koehler Publishers.
- Layard, R. (2003). "The Secrets of Happiness." New Statesman 3 March 2003: pp 25-28.
- Mander, J. (2001). <u>The Rules of Corporate Behaviour. The Case Against the Global Economy & for a Turn Towards Localization</u>. E. Goldsmith and J. Mander. London, UK, Earthscan.
- Meadows, D.D. MeadowsJ. Randers (1992). Beyond the Limits Global Collapse or a Sustainable Future. London, Earthscan.
- Meadows, D.D. MeadowsJ. RandersW. B. III (1972). *The Limits to Growth*. New York, Universe Books.
- Milbrath, L. (1994). "Stumbling Blocks to a Sustainable Society." <u>Futures</u> 26(2): 117-124.
- Miller, K. (1994). "Constructing Future Realities." World Future Studies Bulletin 69: 1-16.
- OECD (2001). Sustainable development: Critical issues Policy Brief. Paris, France, OECD.
- OECD (2002). Working Together Towards Sustainable Development: The OECD Experience. Paris, France.
- Riedy, C. (2003). A deeper and wider understanding of sustainable development. Greening Sustainability, Ecopolitics XIV Conference, Melbourne, Victoria, Australia.
- Ritz, D., Ed. (2001). *Defying Corporations, Defining Democracy*. New York, Apex Press.
- Samuelson, P. A.W. D. Nordhaus (2001). Economics. New York, McGraw Hill.
- Slaughter, R. A. (2004). Futures Beyond Dystopia: Creating social foresight. London, RoutledgeFalmer.
- Smolin, L., Ed. (1997). The life of the cosmos, Oxford University Press, Oxford, UK. Swedish Ministry of the Environment (2001). 15 Environmental Quality Objectives for life. Stockholm.
- The Australia Institute (2002). *The GPI Online*, The Australia Institute. 2002. www.gpionline.net Accessed July 2004

- Turton, H. (2004). Greenhouse gas emissions in industrialised countries Where does Australia stand?, The Australia Institute, Canberra, Australia.
- Wackernagel, M.N. B. SchulzD. DeumlingA. C. LinaresM. JenkinsV. KaposC. MonfredaJ. LohiN. MyersR. NorgaardJ. Randers (2002). "Tracking the ecological overshoot of the human economy." *Proceedings of the National Academy of Sciences*(June 24).
- WCED (1987). Our Common Future. New York, Oxford University Press.
- Weston, J. F.F. E. Brigham (1975). *Managerial Finance*. London, Dryden Press Holt International Edition.
- WILPF (2004). Session IX What Does Democracy Look Like?, Women's International League for Peace and Freedom. Accessed October 2004. http://www.wilpf.org/section/campaign/CPOWER 10sessions.htm
- World Business Council for Sustainable Development (Accessed February 2004). About the WBCSD, World Business Council for Sustainable Development. http://www.wbcsd.ch/templates/TemplateWBCSD1/layout.asp?type=p&MenuId=NjA&doOpen=1&ClickMenu=LeftMenu
- World Resources InstituteUnited Nations Development ProgrammeUnited Nations Environment ProgrammeW. Bank (2002). A Guide to World Resources 2002-2004: Decisions for the Earth Balance, Voice, and Power. Washington, World Resources Institute.
- Worldwatch Institute (2002). Vital Signs 2002: The Trends That Are Shaping Our Future. New York and London, W.W. Norton & Company.
- WSSD World Summit on Sustainable Development (2002). Plan of Implementation, World Summit on Sustainable Development. New York, United Nations.
- Zimmerman, E.e. al (1998). Environmental philosophy. From animal rights to radical ecology. New Jersey, USA, Prentice-Hall, Inc.



