The Environment

There are many environmental moral issues relevant to business. I will discuss (a) ecology, (b) traditional business attitudes towards the environment, (c) problems involving environmental abuse, (d) environmental protection, (e) methods to pay for environmental protection, and (f) other issues involving environmental ethics. This discussion is largely based on chapter eleven of Business Ethics (Third Edition, 1999) by William Shaw.

To make the grave importance of the environment clear, Shaw briefly discusses many of the environmental issues we face today:

1. Pesticides often harm or kill fish and birds (394), and can cause illness in children (395). Too much pesticide is dangerous to adults, so only safe levels are allowed, keeping adults in mind, but such levels are still probably too dangerous for children. A 2011 study by UC Berkeley has evidence that prenatal exposure of pesticides in pregnant women can also lower the IQ of their children.

2. Air pollution contaminates the air, despoils vegetation and crops, corrodes construction materials, and threatens our lives and health (ibid.). A 2011 study by the EPA claims that the Clean Air Act saved over 160,000 lives in 2010, but many people still suffer illness and die from air pollution and more lives can be saved by stricter standards. We generally assume we get sick from allergies, bacteria, or viruses; but pollution is a very common cause of illness as well.

3. The ozone layer was damaged from chloroflourocarbons (ibid.).
4. Carbon dioxide (and other greenhouse gasses) are causing global warming (ibid.)
5. Toxic chemicals in our environment cause many health issues (ibid.).
6. Nuclear power plants require minding, processing, and transporting of nuclear materials that causes cancer in many people, and it's unclear that our methods of disposing of nuclear waste are entirely safe (ibid.).

In addition to the examples given by Shaw, a 2007 study by David Primentel concludes that pollution could cause 40% of all deaths worldwide.

The importance of environmental destruction is recognized by every theory of justice and every moral theory. Destroying the environment often violates our right to non-injury and endangers our health. Additionally, some people also think that it's morally preferable to protect rather than harm nonhuman animals. Any moral system that is unable to admit that animals should be protected could be flawed.

Business and ecology

Businesses damage the environment when they take natural resources from the Earth and dispose of waste. All of this is done within the natural environment, a kind of ecological system or "ecosystem." "*Ecology* refers to the science of the interrelationships among organisms and their environments. The operative term is 'interrelationships,' implying that an interdependence exists for all entities in the environment" (397). For example, a pond is an ecosystem that contains a large number of living organisms that exist in a complex web of dependence and interdependence.
Many companies discharge waste into bodies of water, like ponds. Sometimes this is relatively harmless to the ecosystem, but increasing the amount of waste could become too toxic for some of the organisms. If the toxins kill certain plants in a pond, then many fish could die. This in turn could frustrate fishermen who make a living by catching fish in the pond (397-398). All of the damage done to the pond, fish, and fishermen are "externalities" or "spillover"—costs to third parties. Business transactions aren't always just transactions between two people during trade. Sometimes other people and nonhuman animals are also harmed by business transactions.

Imagine that a company dumps twice as much pollution into a pond to save $9,000 a year, but it kills the fish in the pond. The fishermen lose $10,000 a year from the pollution because their primary source of income is lost. In that case the company's decision to dump more waste into the pond actually causes more harm than good, and it's unfair to save money to pollute when other people have to pay for those savings.

Additionally, financial harm isn't the only kind of harm we are dealing with. I want to point out that the fish and other animals that eat the fish are also harmed. It's not obvious that we have a right to harm animals indiscriminately to save money or make money. However, whenever we take the Earth's resources or pollute, animals are often harmed. Animals can die from toxins, such as air pollution; and they can die when they lose their habitat.

Is it always immoral to intrude into ecosystems and harm living organisms? That seems unlikely to me given how impractical it is. It's almost impossible to do no harm to ecosystems in business because we need the Earth's resources to conduct business and sell products, and many companies have no choice but to dispose of waste and pollute one way or another.

It's not obvious to me when damage done to the environment is warranted, nor is it obvious to what extent people are warranted to harm the environment. Nonetheless, it's morally preferable to do so as little as possible while conducting business and attempting to make a reasonable profit. It's possible for a company to lose all profit in an attempt to protect the environment, but it seems unreasonable to think that all companies should lose their profits to environmental protection. There might be some companies that are so inefficient or harmful that they shouldn't exist in the first place, but many companies that harm the environment only do so because it's necessary to satisfy our needs.

Business's traditional attitudes towards the environment

Businesses have traditionally shown egregious indifference towards the environment. Environmental protection was rarely seen as an issue. A company would harm the environment to whatever extent was profitable, and they often harmed the environment despite the fact that it was unwarranted to do so. Shaw discusses the attitudes of businesses that led to unwarranted environmental damage. In particular, people saw the "natural world as a 'free and unlimited good'" (398). People at one point thought that the world's resources could be taken without end and without any morally significant harm done. Pollution could damage the environment, but the damage done was considered to be insignificant because the world was seen as such a large place.

However, resources aren't unlimited and many people and animals are harmed from environmental damage. In Garrett Hardin's parable, "The Tragedy of the Commons," he describes the importance of the environment to human interests based on the fact that it's limited (399). He describes villages who share a pasture and let farm animals graze indiscriminately. The meadow eventually loses all its grass and the villagers are left with a serious problem of having no way to feed their animals.

Hardin's parable is often relevant to real life issues, such as overfishing (ibid.). If the fish population is depleted by fishermen, then the fishing industry will go out of business.

The ethics of environmental protection

How is the environment relevant to business ethics? First, it's in our interest to protect the environment insofar as we are human beings and we are often harmed by environmental damage and measures to protect the environment can benefit us

all (400). Second, many people don't feel responsible for harming the environment because they don't personally do much harm to it (ibid.). Third, companies that harm the environment have externalities (and harm others) that they unfairly benefit from, which can violate our right to non-injury (ibid.). I would like to add that externalities can also be in the form of harm done to nonhuman animals.

The costs of pollution control

We can protect the environment by implementing stricter standards on companies and limit the amount of pollution allowed, and we can try to heal the environment and do what is necessary to restore it back to a balanced state. Of course, the costs of protecting and helping the environment can be expensive, and people don't want to pay those costs. How do we decide when we must pay greater costs to help the environment?

One possibility is a cost-benefit analysis (401). We can assess the harm and benefits done to people by harming or benefiting the environment. Consider a company that pollutes twice as much to save $10,000 in production costs. If the harm done to society by doubling the pollution is worth $20,000 from health costs and sick days, then it would seem immoral for the company to double its level of pollution. Although it's hard to link pollution to specific sick days and medical costs, imagine that we could. In that case it would be just to charge the company with the $20,000 worth of sick days and medical costs, so the company would actually lose money by increasing pollution.

However, the cost-benefit approach is often an impractical approach and it might be impossible to know how much harm a company's environmental damage is worth (402). Additionally, the cost- benefit approach isn't just about money. We might need to consider the pain, suffering, and death that can be caused by pollution; and that might be impossible to measure. That's especially true if we have to consider the damage done to nonhuman animals from environmental damage.

Who should pay the costs?

No one wants to have to personally pay the costs to protect and restore the environment. Most people think that either those who are responsible for environmental damage or those who benefit from it should pay the costs. Consider each possibility:

1. **Those responsible** – The problem with this answer is it's not entirely clear who's responsible for harming the environment (403). Even if we all agree that big business harms the environment the most, they don't all harm it equally and it's hard to assess the actual damage each business does. Some people have argued that consumers are to blame for harming the environment because they demand products at a reduced cost and buy products from companies that disproportionally harm the environment. However, Shaw claims that urbanization, consumerism, and a growing population is to blame; so we are all somehow responsible for harming the environment. That might be true, but I don't see how that excuses companies from harming the environment more than is necessary just to raise profits and make others suffer from their decision; nor do I see how it excuses consumers from buying indiscriminately from companies known for abusing the environment or buying unnecessary goods that cause harm to the environment.

2. **Those who would benefit** – Companies that harm the environment indiscriminately can benefit the most and it's often *others* who are harmed the most from environmental damage, so it might be most appropriate for the companies to pay the most to protect and restore the environment (404). However, Shaw argues that this is not a good position because we all benefit from harming the environment "albeit, not to the same degree" (ibid.). Again, I don't see how this objection can be taken seriously given how much more some people benefit from pollution than others and Shaw even mentions that "flagrant polluters" benefit from polluting much more than others (405). Additionally, Shaw argues that this position ignores the importance of responsibility, and I agree that there is something strange about making people pay costs for something they aren't responsible for (404). Imagine that I steal $20 from a stranger to give to a friend. Should I have to pay the stranger $20 back, or should my friend? It seems most appropriate for me to pay the $20 because I'm responsible for the theft.

Cost allocation

After we decide *who* should pay for protecting and restoring the environment, it's still not clear *how* it should be paid: Through regulations, incentives, pricing mechanisms, and/or pollution permits (405). I will discuss these ways to allocate the costs to protect and restore the environment.

Regulations

"[A]gencies such as the EPA, set environmental standards, which are then applied and enforced by those agencies, other regulatory bodies, and the courts" (ibid.).

Sometimes a company is limited in how much it's allowed to pollute and a company might have to install machines that help reduce the pollution. The main advantage is that such regulations are legally enforceable and companies that are caught cheating can be fined. However, there are also disadvantages:

One, regulators have to know how much pollution to expect from companies and whether or not it's possible for them to reduce pollution, but this requires extraordinary amounts of research and expertise. There are several different kinds of manufacturers and it can be difficult to know so much about them all (406).

Two, regulations often ignore differences between industries and manufacturers and require them all to be regulated in exactly the same way, even when it might not make sense to do so. For example, "the courts required two paper mills on the West Coast to install expensive pollution-control equipment, even though their emissions were diluted effectively by the Pacific Ocean [and it] took a special act of Congress to rescue the mills" (ibid.).

Three, regulation can cause displacement (ibid.). First, companies can go out of business if the regulations will cost too much. Second, a company might move somewhere else where regulations are less severe. Either way, it can suddenly leave many employees without a job. Sometimes a town can greatly rely on a company for employment and everyone will have to find another place to live after the company moves on.

Four, companies might be able to reduce pollution below the regulated requirements, but have no incentive to do so (ibid.).

Incentives

The government can reward companies in various ways for reducing the harm they do to the environment. For example, the government can offer tax breaks for buying equipment to reduce pollution or offer grants to companies to install the devices (407). At one point the EPA offered good publicity and trophy-like rewards to companies that voluntarily reduced pollution. Incentive programs require minimal government interference and they don't harm companies or cause displacement. However, there are disadvantages to incentive programs:

One, progress will likely be slow and environmental problems that need quick solutions will probably continue (ibid.).

Two, many incentives are subsidies for polluters and reward companies that are already doing something harmful rather than benefiting those who are harmed (ibid.).

Three, it seems unjust to pay a company not to pollute just like it's wrong to pay people to be moral for any other reason (ibid.). It could be a form of coercion to be forced to pay a company money to stop polluting, and offering a company money to stop polluting doesn't seem a whole lot better.

Pricing mechanisms

We can charge a company for the amount they pollute (ibid.). Such pricing could be based on the area and time. Places that already have too much pollution could raise the price of pollution because the total pollution we encounter can reach dangerous levels, and places with very little pollution could lower the cost because the pollution done there might do very little harm.

Pricing mechanisms encourage companies to find ways to pollute less, they don't put a company out of business unless it is likely causing the world more harm than good, and it allows companies to pay the public for certain externalities (408).

Pollution permits

Companies could be charged money to get a license or "permit" to pollute. This can be done in different ways such as (ibid.):

(a)Every company could buy permits to get the right to pollute.
(b)There could be a limited number of permits auctioned off.
(c)Every company could get a permit to have to right to pollute a certain amount, and they could sell permits to other companies that need to pollute more than the amount allowed from a single permit.

Permits have been successful in the past, but their success depends on certain criteria (ibid.). First, the pollution should be easy to monitor. Second, the number of firms involved should be manageable. Third, the environmental goals should be clear and widely accepted.

Economists tend to favor pricing mechanisms and pollution permits, but it's not obvious that those are the most moral solutions (ibid.). One, the pollution costs might be arbitrary. Two, areas with strict environmental controls could put companies out of business or require the company to relocate. Three, areas with

strict environmental controls could give certain businesses an unfair disadvantage. Four, these forms of pollution control legalize pollution and might imply that polluting isn't immoral—even when the polluting is egregious and entirely unnecessary (408-409).

Shaw argues that all of these solutions have strengths and weak points and other possible solutions aren't taken very seriously at this point in time (such as banning pollution entirely), so we have little choice but to use one or more of them (409).

Delving deeper into environmental ethics

Environmental ethics has implications to foreign nations, future generations, and animals. Right now the United States uses the world's resources at a disproportionally high rate and depends on the resources of other nations to maintain its standard of living (410). This can lead to at least two main problems:

One, we might not always have access to the resources of other countries. Sometimes a country runs out of resources and has no way to attain them, so they decide to seize the resources from other countries and that often leads to war. It's not clear that any nation in particular has a right to the world's resources just because the surrounding territory has been dominated by a group of people, but harming others to take resources is morally questionable.

Two, it's not clear that we have a right to consume the world's resources at such a reckless and destructive rate. I want to point out that it's not only harmful to our future generations, but also to animals.

Obligations to future generations

It seems unfair to people from the future that we are using the world's resources now and leaving little to them; and that we're leaving the world polluted and less livable than it once was (411). Do future generations have rights? Does leaving the world uninhabitable *harm* people of the future?
First, consider our duties to others based on our rights. “Professor of philosophy Joel Feinberg argues...
that whatever future human beings turn out to be like, they will have interests that we can affect, for better or worse, right now” (411). We don't have to know all about people from the future to realize that they will be in need of clean water and so on.

Shaw points out that even if people of the future have rights, it's not obvious what those rights are or how we should balance our interests against theirs (ibid.).

Second, consider the utilitarian perspective. It has been argued that the people who actually exist in the far off future will only exist if we treat the Earth exactly as we do, so we can't have duties to treat anyone differently. If we did, they wouldn't even exist. However, Anette Baier argues that our duties to people aren't just to specific individuals (412). Instead, our obligations are to communities of people. I agree that it's important for people to do well and their unique individuality is not always relevant to the importance of their interests.

Another issue is whether we have a duty to prevent overpopulation to future generations. From a utilitarian standpoint an overpopulated world could have less average happiness, but still greater happiness overall, but some utilitarians now prefer to say that average happiness is more important than total happiness to avoid this position (ibid.).

I personally don't see why it's so horrible to have larger populations that are less happy. If every human life has value, then why not admit that larger populations are a good thing? If overpopulation causes suffering to people and animals, then there might not be "greater happiness" overall in the world. All things equal, it certainly seems better to exist than not exist. Perhaps some people are merely selfish and would rather that certain *other* people don't exist if necessary to live a better life for themselves.

Third, consider a deontological perspective—Rawls's perspective. John Rawls suggests that we should consider what duties we have to people from the future based on the original position under the "veil of ignorance" without knowing what generation or time period we are born in (412-413). It seems likely that the natural resources can be distributed among generations. In fact, I find it plausible that the perspective of the original position would demand that we use few enough resources that can be replenished as quickly as they are depleted. For example, trees shouldn't be chopped down faster than they grow. However, there might be exceptions if people from one generation can use up extra resources to make the world a better place in the future.

The value of nature

A common assumption in business is that businesses only have obligations towards people and that nonhuman entities aren't worth moral consideration. However,

some philosophers challenge this notion. William F. Baxter agrees that only humans are worthy of consideration, but Holmes Rolston III believes that nature can have intrinsic value—be good just for existing and worthy of protection for its own sake (413). He calls his position a "naturalistic ethic" and denies that things only have value insofar as they are used for human purposes. Shaw states that a naturalistic ethic would (or could) find even mountains to have value beyond human interests, such as hiking and skiing.

Some defenders of a naturalistic ethic think that we have a special obligation to protect each species from extinction to help protect the diversity of life. I don't know that each species has value in isolation, but the concrete existence of animals could have intrinsic value and species often play unique and irreplaceable roles in ecosystems.

Many philosophers doubt that nature has intrinsic value or that nature has rights because they think something must have interests to have rights, but nature has no interests (414). Of course, animals are part of nature and many animals seem like they have interests. However, Shaw's discussion of the value of nature seems to be based on non-animal organisms and objects.

Our treatment of animals

I will use the term "animal" to refer to "nonhuman animal." Animals have interests, so it might make sense to say that they have rights insofar as we can have duties towards them. However, even if animals don't have rights, it still seems like animals have implications to morality and that it's morally preferable to help animals rather than hurt them. The value of animals seems intuitive given utilitarianism because they can be happy and suffer, similar to people (415). If we are supposed to maximize happiness, then why shouldn't the happiness of animals be part of our moral concerns? It seems like they should.

Shaw discusses the relevance of business ethics to animals insofar as (a) we do animal testing and (b) raise and kill animals for food. However, his discussion is extremely limited. We should also consider
(c) animal ownership, (d) animal abuse, and (e) the effects of environmental destruction on animals.

Animal testing – We tend to assume that we are more important than nonhuman animals and it's better to test on animals rather than humans because it's disrespectful and harmful to treat people as guinea pigs. However, animal testing is

only morally warranted when (a) it doesn't harm the animals or (b) we have no choice but to test on either animals or humans. Peter Singer argues that animal testing is often unjustified and causes needless harm to animals. Cosmetics testing on animals seems like an obvious example given that we already have plenty of safe cosmetics on the market, it causes harm to animals, and we don't really need cosmetics in the first place.

Farming – Farming might have once been humane when animals could live their lives safely protected by people until they are killed for human consumption, but now most farm animal lives tend to be miserable in cramped spaces on "factory farms" (415-416). First, this treatment of animals seems unjustified insofar as animals have interests and it seems important that we don't hurt them for no good reason. Second, it's not obvious that it's morally justified to kill any animals we want for food considering that we could be vegetarians or just eat less intelligent animals (416). Cows and pigs are fairly intelligent and it might be wrong to kill them when it's not necessary for our health or survival.

Animal ownership – It's not obvious that we have a right to own *all* other animals. It might be that we have a right to own lower organisms of sufficiently low intelligence, but not higher life forms. Elephants, dolphins, whales, and great apes are all very intelligent, but even dogs and cats can be pretty smart. Many people have pets and perhaps it's better that we care for these animals than send them out into the wild. However, we could care for animals without technically owning them. Perhaps we could be their "guardians" rather than owners, much as parents should be understood as the guardians of their young children rather than owners. The idea of owning animals suggests that the animals are objects and such an idea could be inappropriately disrespectful to them. We could try to refuse to "dehumanize" animals despite the fact that they aren't humans—by being respectful of them and valuing them as ends in themselves.

Animal abuse – According to the law, people who own and sell animals have responsibilities towards those animals, whether the animal is a pet, farmed for food, or used in experimentation. It seems plausible that such laws are based on our moral duties, and there's almost no reason for these laws to exist for human benefit. It seems likely that the laws exist precisely because many people agree that animals have intrinsic value. Shaw has already discussed how farming and experimentation often harms animals, and the law often allows such harm. It seems likely that it's wrong to harm animals beyond what the law allows. What Shaw said about factory farming and experimentation also applies to animals in the wild and pets. It generally seems morally preferable to protect the interests of animals rather than harm them.

Environmental destruction – Shaw rarely or never mentioned the effects environmental destruction has on animals. Animals are harmed and destroyed when we take the world's resources, strip forests to make farmland, and pollute. The environment has at least two important moral considerations for animals:

First, the pollution that makes people sick is the same pollution that makes other animals sick. Just recently high amounts of toxins—the highest ever recorded—was found in dolphins and whales, such as polychlorinated biphenyls and insecticides.

Second, it's not obvious that we have a right to resources that are used by animals. As humans we see the natural world as being our property. Just about every piece of land is now the property of a country or individual. However, many animals are also territorial and it's not obvious that we can legitimately own land being used by other animals—especially when they were here first. We might have a right to protect our interests and take the world's resources as needed, but that doesn't mean that the interests of animals shouldn't be taken into account as well. There could be immoral cases of seizing land from animals. Consider how the Malaysian forests are being destroyed to make farms, which destroys the habitat of Orangutans, one of the most intelligent animals in the world (and an endangered species). Aren't animal interests worth consideration when we destroy the environment? It seems like they are, and the interests of intelligent animals like the Orangutan seem especially important.

Conclusion

The environment is one of the most important moral issues not only because harming the environment often violates our right to noninjury, but also because environmental damage has been incredibly harmful to both people and other animals. Not to mention that many environmental issues can create even more devastation in the future, such as the possible depletion of the world's resources to future generations.

The importance of the environment not only shows traditional failures of business ethics of the past and present, but it also helps clarify the importance of externalities and animals. Businesses traditionally saw no need to pay for externalities, but we now know that externalities are of grave importance and are often a matter of life and death. Businesses traditionally saw no need to respect

animals, but many moral philosophers no longer see any reason to value ourselves over other animals at any cost.