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Faith-Based Economics: The Corporate World and the Survival of Civilization

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In 1966 distinguished economist Kenneth Boulding wrote: “Anyone who believes that exponential growth can go on forever in a finite world is either a madman or an economist.” Well, the madmen and most economists are still at it. Even Paul Krugman, smarter than most economists, usually ends up looking to the disease of growth as if it were a cure (which it can be for unemployment in a dysfunctional society like ours). We won’t reiterate here the existential environmental threat to civilization,¹ but rather examine the common assumption that our innovative business community can save us from collapse.

Innovative businesses may be, but where they focus their efforts in the face of the human predicament seems unlikely to have any ameliorative effects. A look at the world view of the business community as a whole shows that they have at best grasped that there may be some opportunities in the human predicament, but most corporation executives clearly haven’t assimilated the nature or the scale of the threat. For example, in a book discussing business’ response to such easily predictable trends as rapid urbanization and aging of populations, by Richard Dobbs and his colleagues,² the main message seemed to be how to take advantage of the prospects for new sales. The tone is growth boosterism: “In emerging markets alone, we project that this new army of urban consumers...will spend \$30 trillion a year by 2030, up from \$12 trillion in 2010. They will account for half of the world’s spending.” The book’s Chapter 5 is entitled *The next three billion: Tapping the Power of the New Consuming Class*.

Other business books place great emphasis on the financial advantages of being more efficient in the use of resources or developing novel approaches to “sustainability,” such as mass production of hybrid cars³ or highly planned and efficient recycling – some imagining a

physically impossible “circular economy.”⁴ Many of these can be helpful, but will be insufficient to reach anything remotely resembling sustainability. The discussions do not include analyses of such conundrums as whether the impacts of greatly increased consumption will overwhelm any positive effects of some industries’ efforts to embrace sustainability. For instance, will we just continue population growth, as President Obama’s science advisor John Holdren put it, “crowding out the rest of creation,” and wrecking civilization’s life support system?

Of course these are simply the acts of reasonable people doing what their culture tells them is smart (and legal). An entirely different situation is represented by determinedly anti-environmental industrial operations, like Volkswagen’s pollution-control cheating or the corporate pimps of climate deniers. These corporations may eventually help kill hundreds of thousands or even millions of people. One might take a lesson from Supreme Court injustice Antonin Scalia and the Citizens United decision. Corporations are putatively just citizens like the rest of us, and when we kill people Antonin thinks we should be executed. So it should be for corporations like VW and Exxon.

But how do you kill a corporation? It’s a topic that needs investigation. The one thing we do know is that fines, even big ones, do little to modify corporate behavior. Perhaps the top executives of VW and selected others who knew of its murderous plot should be thrown in jail for life, VW’s assets sold off (investors do take risks) and put into a UN fund to aid the efforts of poor nations to adapt to climate disruption. Another company needing the death penalty is Exxon-Mobil. As Dave Johnson put it in the [Huffington Post](#): “The charge is that Exxon scientists and management knew since the late 1970s that the company’s product was helping cause our planet to warm ‘catastrophically,’ but management responded by covering this up and disseminating disinformation –joining with other companies to commit an enormous fraud on the public for profit.”⁵ But the problem here is more complex, since there are many co-conspirators that ought to be put down. Then there are the “legal” but insanely immoral like those of “Murder Incorporated” –the small arms industry and their lobbying arm, the NRA. We’ll leave solutions to your imagination, but there are clearly many assets that need to be stranded, and the immoral actions of those like the Koch brothers strongly curtailed.

There is no question that the business community, especially giant international corporations, must be involved in any attempt to avoid a collapse of civilization. Corporations are now globalized, and a network of large corporations is perhaps becoming the closest thing there is to a global government, along with population growth increasingly reducing representative democracy.⁶ Corporations are the most organized segment of society that actually believes the message of faith-based economics, although cracks have appeared in the façade. For example two business professors, Christopher Wright and Daniel Nyberg, have just published a book, (Climate Change, Capitalism, and Corporations: Processes of Creative Self-Destruction⁷) that provides a detailed and well-documented account of how corporations are destroying civilization by keeping that faith: the standard business-school/Wall Street message that climate disruption, a result of market success in turning natural resources into stuff and waste, can only be cured by business as usual. Faith-based economics requires continued exploitation of natural resources and continued growth of the global economy. As Wright and

Nyberg say:

...corporate capitalism frames business and markets as the only means of dealing with the crisis, rejecting the need for state regulation and more local democratic options. In essence, the prevailing corporate view is that capitalism should be seen not as a cause of climate change but as an answer to it. A problem brought about by overconsumption, the logic goes, should be addressed through more consumption.

As Clive Hamilton put it in the introduction to the book, "The hard truth is that these corporations would sooner see the world destroyed than relinquish their power."

This discussion of industry and climate by business professors comes to roughly the same conclusion as John Harte and Paul did in [their examination of the world's food prospects](#)⁸. A revolutionary change in society is required, changing many of peoples' basic assumptions, especially those of faith-based economics. In our view it must be a world society that not only lives well within ecological limits, but also ends the horrendous inequities that are ubiquitous but largely out of sight for those of us lucky enough to be in the small privileged minority. How to achieve such a society is a gigantic challenge for a small-group animal struggling to survive in mobs of billions. It's a challenge we hope the MAHB (mahb.stanford.edu) will help to meet. But watching the Republican candidates debate without ever mentioning a significant problem, and seeing China's new attempt to stimulate population growth, we find it difficult to be optimistic.

MAHB-UTS Blogs are a joint venture between the University of Technology Sydney and the Millennium Alliance for Humanity and the Biosphere. Questions should be directed to joan@mahbonline.org

MAHB Blog: <http://mahb.stanford.edu/blog/faith-based-economics/>

¹ Harvey D. 2007. Neoliberalism as Creative Destruction. *The Annals of the American Academy of Political and Social Science* 610:21-44.

² Richard Dobbs, James Manyika, Jonathan Woetzel. 2015. *No Ordinary Disruption: The Four Global Forces Breaking All the Trends*. Public Affairs.

³ Williams EF. 2015. *Green Giants: How Smart Companies Turn Sustainability into Billion-Dollar Businesses*. American Management Association.

⁴ Lacy P, Rutqvist J. 2015. *Waste to Wealth: The Circular Economy Advantage*. Palgrave Macmillan.

⁵ <http://huff.to/1Mlzy3b>

⁶ Barley SR. 2007. Corporations, Democracy, and the Public Good. *Journal of Management Inquiry* 16:201-215.

⁷ Wright C, Nyberg D. 2015. *Climate Change, Capitalism, and Corporations: Processes of Creative Self-Destruction*. Cambridge University Press.

⁸ Ehrlich PR, Harte J. 2015. Food security requires a new revolution. *International Journal of Environmental Studies* <http://dx.doi.org/10.1080/00207233.2015.1067468>:1-13.