

WORKING WITH MOTHER NATURE

ety we would be well advised to give up one washing machine if the resources that would have gone into that washing machine can yield greater human satisfaction when diverted into pollution control. We should give up one hospital if the resources thereby freed would yield more human satisfaction when devoted to elimination of noise in our cities. And so on, trade-off by trade-off, we should divert our productive capacities from the production of existing goods and services to the production of a cleaner, quieter, more pastoral nation up to—and no further than—the point at which we value more highly the next washing machine or hospital that we would have to do without than we value the next unit of environmental improvement that the diverted resources would create.

Now this proposition seems to me unassailable but so general and abstract as to be unhelpful—at

least unadministerable in the form stated. It assumes we can measure in some way the incremental units of human satisfaction yielded by very different types of goods. The proposition must remain a pious abstraction until I can explain how this measurement process can occur. . . . But I insist that the proposition stated describes the result for which we should be striving—and again, that it is always useful to know what your target is even if your weapons are too crude to score a bull's eye.

QUESTIONS

1. Why does Baxter think that there is a choice between people or penguins? Do you agree?
2. What does Baxter mean by "optimal" pollution? What does he say about future generations?

Norman Bowie

Morality, Money, and Motor Cars

Norman Bowie is a professor of management at the University of Minnesota.

Environmentalists frequently argue that business has special obligations to protect the environment. Although I agree with the environmentalists on this point, I do not agree with them as to where the obligations lie. Business does not have an obligation to protect the environment over and above what is required by law; however, it does have a moral obligation to avoid intervening in the political arena in order to defeat or weaken environmental legislation. In developing this thesis, several points are in order. First, many businesses have violated important moral

obligations, and the violation has had a severe negative impact on the environment. For example, toxic waste haulers have illegally dumped hazardous material, and the environment has been harmed as a result. One might argue that those toxic waste haulers who have illegally dumped have violated a special obligation to the environment. Isn't it more accurate to say that these toxic waste haulers have violated their obligation to obey the law and that in this case the law that has been broken is one pertaining to the environment? Businesses have an obligation to obey the law—environmental laws and all others. Since there are many well-publicized cases of business having broken environmental laws, it is easy to think

that business has violated some special obligations to the environment. In fact, what business has done is to disobey the law. Environmentalists do not need a special obligation to the environment to protect the environment against illegal business activity; they need only insist that business obey the laws.

Business has broken other obligations beside the obligation to obey the law and has harmed the environment as a result. Consider the grounding of the Exxon oil tanker *Valdez* in Alaska. That grounding was allegedly caused by the fact that an inadequately trained crewman was piloting the tanker while the captain was below deck and had been drinking. What needs to be determined is whether Exxon's policies and procedures were sufficiently lax so that it could be said Exxon was morally at fault. It might be that Exxon is legally responsible for the accident under the doctrine of respondent superior, but Exxon is not thereby morally responsible. Suppose, however, that Exxon's policies were so lax that the company could be characterized as morally negligent. In such a case, the company would violate its moral obligation to use due care and avoid negligence. Although its negligence was disastrous to the environment, Exxon would have violated no special obligation to the environment. It would have been morally negligent.

A similar analysis could be given to the environmentalists' charges that Exxon's cleanup procedures were inadequate. If the charge is true, either Exxon was morally at fault or not. If the procedures had not been implemented properly by Exxon employees,

then Exxon is legally culpable, but not morally culpable. On the other hand, if Exxon lied to government officials by saying that its policies were in accord with regulations and/or were ready for emergencies of this type, then Exxon violated its moral obligation to tell the truth. Exxon's immoral conduct would have harmed the environment, but it violated no special obligation to the environment. More important, none is needed. Environmentalists, like government officials, employees, and stockholders expect that business firms and officials have moral obligations to obey the law, avoid negligent behavior, and tell the truth. In sum, although many business decisions have harmed the environment, these decisions violated no environmental moral obligations. If a corporation is negligent in providing for worker safety, we do not say the corporation violated a special obligation to employees; we say that it violated its obligation to avoid negligent behavior.

The crucial issues concerning business obligations to the environment focus on the excess use of natural resources (the dwindling supply of oil and gas, for instance) and the externalities of production (pollution, for instance). The critics of business want to claim that business has some special obligation to mitigate or solve these problems. I believe this claim is largely mistaken. If business does have a special obligation to help solve the environmental crisis, that obligation results from the special knowledge that business firms have. If they have greater expertise than other constituent groups in society, then it can

Land as a Commodity

Vine Deloria

"Every time we have objected to the use of the land as a commodity, we have been told that progress is necessary to American life. Now the laugh is ours."

—Vine Deloria,

be argued
responsibi
are somev
ness's resp
less than t
to think th

Consid
tion of aut
50,000 pe
250,000 o
bile accid
and injury
such argu
the moral
Take the
itself a go
advantage
ble risks t
many othe
risks—rid
to pursue
benefits o
As long a
some avo
social and

It is a f
implies "c
held mor
power. In
whelming
not the r
deaths an
design ca
implies-c
auto com
from saf
reasonab
expected

Does
to build a
dards for
the price
can" aga
ment cap
ness, cap
company

be argued that, other things being equal, business's responsibilities to mitigate the environmental crisis are somewhat greater. Absent this condition, business's responsibility is no greater than and may be less than that of other social groups. What leads me to think that the critics of business are mistaken? . . .

Consider the harm that results from the production of automobiles. We know statistically that about 50,000 persons per year will die and that nearly 250,000 others will be seriously injured in automobile accidents in the United States alone. Such death and injury, which is harmful, is avoidable. . . . What such arguments point out is that some refinement of the moral minimum standard needs to take place. Take the automobile example. The automobile is itself a good-producing instrument. Because of the advantages of automobiles, society accepts the possible risks that go in using them. Society also accepts many other types of avoidable harm. We take certain risks—ride in planes, build bridges, and mine coal—to pursue advantageous goals. It seems that the high benefits of some activities justify the resulting harms. As long as the risks are known, it is not wrong that some avoidable harm be permitted so that other social and individual goals can be achieved. . . .

It is a fundamental principle of ethics that "ought" implies "can." That expression means that you can be held morally responsible only for events within your power. In the ought-implies-can principle, the overwhelming majority of highway deaths and injuries is not the responsibility of the automaker. Only those deaths and injuries attributable to unsafe automobile design can be attributed to the automaker. The ought-implies-can principle can also be used to absolve the auto companies of responsibility for death and injury from safety defects that the automakers could not reasonably know existed. The company could not be expected to do anything about them.

Does this mean that a company has an obligation to build a car as safe as it knows how? No. The standards for safety must leave the product's cost within the price range of the consumer ("ought implies can" again). Comments about engineering and equipment capability are obvious enough. But for a business, capability is also a function of profitability. A company that builds a maximally safe car at a cost

that puts it at a competitive disadvantage and hence threatens its survival is building a safe car that lies beyond the capability of the company.

Critics of the automobile industry will express horror at these remarks, for by making capability a function of profitability, society will continue to have avoidable deaths and injuries; however, the situation is not as dire as the critics imagine. Certainly capability should not be sacrificed completely so that profits can be maximized. The decision to build products that are cheaper in cost but are not maximally safe is a social decision that has widespread support. The arguments occur over the line between safety and cost. What we have is a classical trade-off situation. What is desired is some appropriate mix between engineering safety and consumer demand. To say there must be some mix between engineering safety and consumer demand is not to justify all the decisions made by the automobile companies. Ford Motor Company made a morally incorrect choice in placing Pinto gas tanks where it did. Consumers were uninformed, the record of the Pinto in rear-end collisions was worse than that of competitors, and Ford fought government regulations. . . .

As long as business obeys the environmental laws and honors other standard moral obligations, most harm done to the environment by business has been accepted by society. Through their decisions in the marketplace, we can see that most consumers are unwilling to pay extra for products that are more environmentally friendly than less friendly competitive products. Nor is there much evidence that consumers are willing to conserve resources, recycle, or tax themselves for environmental causes.

Consider the following instances reported in the *Wall Street Journal*.¹ The restaurant chain Wendy's tried to replace foam plates and cups with paper, but customers in the test markets balked. Procter and Gamble offered Downey fabric softener in concentrated form that requires less packaging than ready-to-use products; however the concentrate version is less convenient because it has to be mixed with water. Sales have been poor. Procter and Gamble manufactures Vizir and Lenor brands of detergents in concentrate form, which the customer mixes at home in reusable bottles. Europeans will take the trouble;

Americans will not. Kodak tried to eliminate its yellow film boxes but met customer resistance. McDonald's has been testing mini-incinerators that convert trash into energy but often meets opposition from community groups that fear the incinerators will pollute the air. A McDonald's spokesperson points out that the emissions are mostly carbon dioxide and water vapor and are "less offensive than a barbecue." Exxon spent approximately \$9,200,000 to "save" 230 otters (\$40,000 for each otter). Otters in captivity cost \$800. Fishermen in Alaska are permitted to shoot otters as pests.² Given these facts, doesn't business have every right to assume that public tolerance for environmental damage is quite high. . . .

Recently environmentalists have pointed out the environmental damage caused by the wide-spread use of disposable diapers. Are Americans ready to give them up and go back to cloth diapers and the diaper pail? Most observers think not. . . . Moreover, if the public wants cloth diapers, business certainly will produce them. If environmentalists want business to produce products that are friendlier to the environment, they must convince Americans to purchase them. Business will respond to the market. It is the consuming public that has the obligation to make the trade-off between cost and environmental integrity.

Data and arguments of the sort described should give environmental critics of business pause. Nonetheless, these critics are not without counter-responses. For example, they might respond that public attitudes are changing. Indeed, they point out, during the Reagan deregulation era, the one area where the public supported government regulations was in the area of environmental law. In addition, *Fortune* predicts environmental integrity as the primary demand of society on business in the 1990s.³

More important, they might argue that environmentally friendly products are at a disadvantage in the marketplace because they have public good characteristics. After all, the best situation for the individual is one where most other people use environmentally friendly products but he or she does not, hence reaping the benefit of lower cost and convenience. Since everyone reasons this way, the real demand for environmentally friendly products cannot be registered in the market. Everyone is under-

stating the value of his or her preference for environmentally friendly products. Hence, companies cannot conclude from market behavior that the environmentally unfriendly products are preferred.

Suppose the environmental critics are right that the public goods characteristic of environmentally friendly products creates a market failure. Does that mean the companies are obligated to stop producing these environmentally unfriendly products? I think not. . . . There is a need, and certainly corporations that cause environmental problems are in proximity. However, environmentally clean firms, if there are any, are not in proximity at all, and most business firms are not in proximity with respect to most environmental problems. In other words, the environmental critic must limit his or her argument to the environmental damage a business actually causes. . . . But even narrowing the obligation to damage actually caused will not be sufficient to establish an obligation to pull a product from the market because it damages the environment or even to go beyond what is legally required to protect the environment. Even for damage actually done, both the high cost of protecting the environment and the competitive pressures of business make further action to protect the environment beyond the capability of business. This conclusion would be more serious if business were the last resort, but it is not.

Traditionally it is the function of the government to correct for market failure. If the market cannot register the true desires of consumers, let them register their preferences in the political arena. Even fairly conservative economic thinkers allow government a legitimate role in correcting market failure. Perhaps the responsibility for energy conservation and pollution control belongs with the government.

Although I think consumers bear a far greater responsibility for preserving and protecting the environment than they have actually exercised, let us assume that the basic responsibility rests with the government. Does that let business off the hook? No. Most of business's unethical conduct regarding the environment occurs in the political arena.

Far too many corporations try to have their cake and eat it too. They argue that it is the job of government to correct for market failure and then use their

To:
From:
Subject:

Are
lat
d
Anc

influence and
tions designe
ment.⁴ They
much conser
should have,
exercise of t
behavior is in
Business has
the political p
weakening
this is a spec
business doe
pursuing its
arena. Busine
to influence t
Business doe
with the pass

First, such
by the logic
special oblig
more formall

1. Busine
tions to
respon
2. Becaus
siderati
prefere

To: You
 From: The Philosopher
 Subject: Who Owns the Earth?

Are we entitled to use the resources available to us? Or are we charging on an account that later generations will have to settle?

"Treat the earth well: it was not given to you by your parents, it was loaned to you by your children. We do not inherit the Earth from our Ancestors, we borrow it from our Children."

Ancient Indian Proverb, source unknown . . . most likely oral tradition handed down over the years.

influence and money to defeat or water down regulations designed to conserve and protect the environment.⁴ They argue that consumers should decide how much conservation and protection the environment should have, and then they try to interfere with the exercise of that choice in the political arena. Such behavior is inconsistent and ethically inappropriate. Business has an obligation to avoid intervention in the political process for the purpose of defeating and weakening environmental regulations. Moreover, this is a special obligation to the environment since business does not have a general obligation to avoid pursuing its own parochial interests in the political arena. Business need do nothing wrong when it seeks to influence tariffs, labor policy, or monetary policy. Business does do something wrong when it interferes with the passage of environmental legislation. Why?

First, such a noninterventionist policy is dictated by the logic of the business's argument to avoid a special obligation to protect the environment. Put more formally:

1. Business argues that it escapes special obligations to the environment because it is willing to respond to consumer preferences in this matter.
2. Because of externalities and public goods considerations, consumers cannot express their preferences in the market.

3. The only other viable forum for consumers to express their preferences is in the political arena.
4. Business intervention interferes with the expression of these preferences.
5. Since point 4 is inconsistent with point 1, business should not intervene in the political process.

The importance of this obligation in business is even more important when we see that environmental legislation has special disadvantages in the political arena. Public choice reminds us that the primary interest of politicians is being reelected. Government policy will be skewed in favor of policies that provide benefits to an influential minority as long as the greater costs are widely dispersed. Politicians will also favor projects where benefits are immediate and where costs can be postponed to the future. Such strategies increase the likelihood that a politician will be reelected.

What is frightening about the environmental crisis is that both the conservation of scarce resources and pollution abatement require policies that go contrary to a politician's self-interest. The costs of cleaning up the environment are immediate and huge, yet the benefits are relatively long range (many of them exceedingly long range). Moreover, a situation where the

benefits are widely dispersed and the costs are large presents a twofold problem. The costs are large enough so that all voters will likely notice them and in certain cases are catastrophic for individuals (e.g., for those who lose their jobs in a plant shutdown).

Given these facts and the political realities they entail, business opposition to environmental legislation makes a very bad situation much worse. Even if consumers could be persuaded to take environmental issues more seriously, the externalities, opportunities to free ride, and public goods characteristics of the environment make it difficult for even enlightened consumers to express their true preference for the environment in the market. The fact that most environmental legislation trades immediate costs for future benefits makes it difficult for politicians concerned about reelection to support it. Hence it is also difficult for enlightened consumers to have their preferences for a better environment honored in the political arena. Since lack of business intervention seems necessary, and might even be sufficient, for adequate environmental legislation, it seems business has an obligation not to intervene. Nonintervention would prevent the harm of not having the true preferences of consumers for a clean environment revealed. Given business's commitment to satisfying preferences, opposition to having these preferences expressed seems inconsistent as well.

The extent of this obligation to avoid intervening in the political process needs considerable discussion by ethicists and other interested parties. Businesspeople will surely object that if they are not permitted to play a role, Congress and state legislators will make decisions that will put them at a severe competitive disadvantage. For example, if the United States develops stricter environmental controls than other countries do, foreign imports will have a competitive advantage over domestic products. Shouldn't business be permitted to point that out? Moreover, any legislation that places costs on one industry rather than another confers advantages on other industries. The cost to the electric utilities from regulations designed to reduce the pollution that causes acid rain will give advantages to natural gas and perhaps even solar energy. Shouldn't the electric utility industry be permitted to point that out?

These questions pose difficult questions, and my answer to them should be considered highly tentative. I believe the answer to the first question is "yes" and the answer to the second is "no." Business does have a right to insist that the regulations apply to all those in the industry. Anything else would seem to violate norms of fairness. Such issues of fairness do not arise in the second case. Since natural gas and solar do not contribute to acid rain and since the costs of acid rain cannot be fully captured in the market, government intervention through regulation is simply correcting a market failure. With respect to acid rain, the electric utilities do have an advantage they do not deserve. Hence they have no right to try to protect it.

Legislative bodies and regulatory agencies need to expand their staffs to include technical experts, economists, and engineers so that the political process can be both neutral and highly informed about environmental matters. To gain the respect of business and the public, its performance needs to improve. Much more needs to be said to make any contention that business ought to stay out of the political debate theoretically and practically possible. Perhaps these suggestions point the way for future discussion.

Ironically business might best improve its situation in the political arena by taking on an additional obligation to the environment. Businesspersons often have more knowledge about environmental harms and the costs of cleaning them up. They may often have special knowledge about how to prevent environmental harm in the first place. Perhaps business has a special duty to educate the public and to promote environmentally responsible behavior.

Business has no reticence about leading consumer preferences in other areas. Advertising is a billion-dollar industry. Rather than blaming consumers for not purchasing environmentally friendly products, perhaps some businesses might make a commitment to capture the environmental niche. I have not seen much imagination on the part of business in this area. Far too many advertisements with an environmental message are reactive and public relations driven. Recall those by oil companies showing fish swimming about the legs of oil rigs. An educational campaign that encourages consumers to make environmentally friendly decisions in the marketplace would

limit the ne-
cal arena. Ve-
friendly is n-
business too
public, the
lessened. A
sumers wou
good while

Hence bu-
ronment, al-
where the c-
has no spe-
sources or t-
obligations.
vening in th-
regulations,
cate consum-
gations sho-

Peter Sin-

Peter Sin-
Princeto
voice on

I. HU

When we h-
we live, w-
cadmium in-
we become

The first five
mental Ethics
sity of Notre
Animals Are
(Section head

limit the necessity for business activity in the political arena. Voluntary behavior that is environmentally friendly is morally preferable to coerced behavior. If business took greater responsibility for educating the public, the government's responsibility would be lessened. An educational campaign aimed at consumers would likely enable many businesses to do good while simultaneously doing very well.

Hence business does have obligations to the environment, although these obligations are not found where the critics of business place them. Business has no special obligation to conserve natural resources or to stop polluting over and above its legal obligations. It does have an obligation to avoid intervening in the political arena to oppose environmental regulations, and it has a positive obligation to educate consumers. The benefits of honoring these obligations should not be underestimated.

Peter Singer

The Place of Nonhumans in Environmental Issues

Peter Singer is professor of philosophy at Princeton University. He is America's leading voice on the question of animal rights.

I. HUMANS AND NONHUMANS

When we humans change the environment in which we live, we often harm ourselves. If we discharge cadmium into a bay and eat shellfish from that bay, we become ill and may die. When our industries and

automobiles pour noxious fumes into the atmosphere, we find a displeasing smell in the air, the long-term results of which may be every bit as deadly as cadmium poisoning. The harm that humans do the environment, however, does not rebound solely, or even chiefly, on humans. It is nonhumans who bear the most direct burden of human interference with nature.

By "nonhumans" I mean to refer to all living things other than human beings, though for reasons to be given later, it is with nonhuman animals, rather

NOTES

1. Alicia Swasy, "For Consumers, Ecology Comes Second," *Wall Street Journal*, August 23, 1988, p. B1.
2. Jerry Alder, "Alaska after Exxon," *Newsweek*, September 18, 1989, p. 53.
3. Andrew Kupfer, "Managing Now for the 1990s," *Fortune*, September 26, 1988, pp. 46-47.
4. I owe this point to Gordon Rands, a Ph.D. student in the Carlson School of Management. Indeed the tone of the chapter has shifted considerably as a result of his helpful comments.

QUESTIONS

1. Does business have a special responsibility to protect the environment, according to Bowie? Why or why not? What is his argument?
2. Why might business serve itself well by taking responsibility for the environment?

The first five sections of this essay are reprinted from Peter Singer, "Not for Humans Only: The Place of Nonhumans in Environmental Ethics," in K. E. Goodpaster and K. M. Sayre, eds., *Ethics and Problems of the 21st Century* (Notre Dame, Ind.: University of Notre Dame Press, 1979). Reprinted by permission. The final section is reprinted by permission from Peter Singer, "All Animals Are Equal," *Philosophic Exchange*, vol. 1, no. 5 (Summer 1974). Copyright © 1974 the Center for Philosophic Exchange. (Section headings have been added.)