

SUMMARY

Respect Habitats – Preserve Nature

By

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The “Respect Habitats – Preserve Nature” Initiative proposes a new economic approach solving ecological and environmental problems. As the Social Market Economy has replaced the brutal Capitalism, a social moderate, respecting habitats, and ecological as economic requirements of a Market Economy, will complement Social Market Economy in future.

Since a few years, questions of climate change and the effects of global warming became a public debate. In order to preserve the nature and to protect the habitats of species, we learn from the media that politicians bargain in global conferences mainly about the reduction of greenhouse gases as carbon dioxide and methane.

Currently, the threat of climate change seems to be only one of many problems for ecosystems through human activities, but direct interventions such as uprooting of tropical forests, poaching, overfishing and pollution are currently a more important threat. Imagine that current warnings of an irreversible global warming are true. Scientific models of climate may overestimate or underestimate the problem of global warming, but we will have a change and we don't know where, when and how, because the climate and ecosystems are still too complex in order to really understand what is going on. We only know there will be a change and we have to adapt. Climate change is not new. There will be areas and civilizations of the world that become winner and others who will become loser. This happened in the past and will happen in future as the evolution will go on. It doesn't make sense to conserve nature and to stop climate change. We don't have the power and technology to do that but we have to do whatever is possible to respect habitats of all species and to preserve the nature as good as we can. New is the influence of Man.

A new comprehensive ecological ethic is required in order to preserve the nature and the evolutionary development of life but also the development of economic areas.

Evolution cannot and should not be stopped. This is true not only for flora and fauna but also for economic activity. Habitats are often economies. We have to consider needs and interests of the people, although they are responsible for many negative changes in nature. All people are entitled to equal rights. Opportunities to achieve the same wealth, wherever people live on our planet, have also to be recognized. Unfortunately, well-intentioned claims by conservationists to preserve certain natural areas, at the same time condemn the people living in poverty.

Ecologically correct behavior has to be economically reasonable! Only with the broad acceptance of a Market Economy the implementation of ecologically correct behavior can be achieved. As in e.g. the Social Market Economy, where economic decisions and the pricing of goods and services are guided solely by the aggregate interactions of citizens and businesses, whereas governmental laws and rules avoid social disadvantages and market concentration, Economic mechanisms have to be developed and implemented into markets that are stabilizing the ecological system through economic incentives. Of course, if necessary, governmental laws and rules have to be invented where the market develops into the wrong direction. If market incentives go into the wrong direction, new market mechanisms or markets have to be designed.

=> We have to resign ourselves to likely upcoming changes and adapt.

- Do we know the right steps to solve the complex problem?
- Can we ever intervene steering without intensifying any other problems?
- Are our policies appropriate to solve the problems?
- How can we achieve distributive justice?

A new Ecological Ethic

New Ecological Norms have to be permanently anchored in the minds of humans, the awareness that a more respectful use of natural habitats on Earth is inevitable. The Ecological Ethic must have the same status as Justice, Freedom, and Self-determination.

Make people aware of ecological and environmental problems, as this e.g. was possible with famous polar bear Knut. New emerging norms for ecologically correct behavior, just as there are not fixed norms of justice, but are widely accepted by cultural conditioning and that produces stable results in economic markets. In Bargaining Theory, Uhlich (*“Descriptive Theories of Bargaining”, Lecture Notes in Economics and Mathematical Systems, Springer-Verlag, Berlin-Heidelberg-New York-Tokyo, 1990.*) developed a theory where from aspiration levels which depend on power, justice norms, and other reasonable principles, the negotiation process leads to an acceptable division of the prize. This behavioral economic theory indicates that if there are widely accepted ecological norms, Market Economies lead to an acceptable allocation respective division of resources.

It is especially important to make children aware of reasonable ecological norms, as they will carry these new norms into the next generation. The economical use of energy and natural resources can be learned. Every small step is important on the way to new socially accepted norms for ecological and environmentally correct behavior.

Incentive Compatible Mechanisms and Markets

Ecologically correct behavior has to be economically reasonable. New economic mechanisms and markets that are stabilizing the ecological system through economic incentives have to be developed. Existing incentive schemes sometimes lead into a completely wrong direction and can be very dangerous for all economies (Bonuses for Investment Banking).

The new market for the trading of emission allowances is a good idea, but the design is poor. It is not enough at all to develop specific markets. A complete reorientation is required. Today environmental depletion is promising short term profit instead long term responsibility. Ecologically oriented behavior leads to high costs for current businesses. Currently Managers have to maximize short term profits. The long-term action and thought is more likely to be punished.

In between it is known that companies which care e.g. about their employees and/or about the citizens of the area where the company is located, stay longer in the market than companies which don't care. Customers accept products and services of such companies with higher probability and sometimes with a higher price, because such image or branding leads to higher visibility and acceptance. Corporate Social Responsibility becomes more and more important.

Even if here again is a link to environmental ethics, the management cannot be forced by short-term profiteering of investors to act environmentally negligent. Management, Advisory Boards and Investors still do not understand that the discounted profit of a long term profit maximizing strategy is higher than the profit of a short term maximizing strategy. Currently, companies often don't have to pay immediately for damages on nature where they are responsible for. This is because such behavior, usually not results in damage / costs for several decades.

Regulation of Markets if necessary

Beside regulation of markets, where necessary new rules like the implementation of best practice technologies can be made binding, it may be forced or decided by any Government that only the 5 best practice technologies for final products or the manufacturing of products will be used. Such obligation of states is better than the commitment on carbon dioxide or other greenhouse gasses restrictions.

The economic development of disadvantaged, developing and/or emerging economies can be stopped by such rules. The "best practice" approach leads directly to a development and innovation boost with permanent competition, with very positive consequences for ecology and economy.

Conclusion

Our planet is not only habitat but largely used to achieve economic profit. Human beings, animals and plants need to exist together in these areas.

A vast number of issues arise from this with unexpectable implications and numerous inter-relations, not allowing one persistent and generic point of view.

Uprooting of the rainforests, over fishing of the oceans, environmental pollution and global warming do have numerous reasons that need to be taken into account.

Global warming is mainly a natural phenomenon. It also happened in the past. But global warming now is too fast. The Biodiversity on our planet is in danger. Evolution needs more time. Humans are responsible now, not nature. The problem arises due to the economic behavior of people in all countries all over the world. Some economies are developed, other are not. People in all economies should have the same rights on a wealthy life. Therefore the solution of problems with global warming and threatened habits can only be found in an economic context.

The fundamental key points of “Respect Habitats – Preserve Nature”: New Ecological Ethic, Incentive Compatible Mechanisms and Markets, and Regulation of Markets if necessary, initiate a new way of thinking. It is a better opportunity to solve all problems at the same time, than solving every single problem individually. As long as there are economic incentives to pursue exploitation of nature is profitable, prohibitions cannot lead to a significant change in behavior. Moreover, monitoring and enforcing compliance with prohibitions and treaties would be very difficult. Justice and opportunity to an adequate standard of prosperity seems to be rather impossible. Which super-organization should establish and enforce the standards? Only the new thinking can resolve the tradeoff between conservation of nature and “free” development of economies where humans live and act in. We have to respect habitats of all species, including humans.