

Question - lab report example

Literature, Russian Literature



Question

ORTHODOX ECONOMICS AND A WAY FORWARD FOR THE INTEGRATION OF SUSTAINABILITY This blog will examine the limitations of mainstream Economics and traditional Economics in dealing with the issue of sustainability. From there, a new system and process can be recommended and discussed in this blog.

Orthodox Economics

Fundamentally, Economics focuses on managing limited means to satisfy our unlimited ends in the best way and manner possible. Economics seeks to promote rational ends and this is meant to ensure that producers get the highest returns possible. On the other hand, consumers seek to minimise their spending and costs in acquiring products.

From the supply side of Economics, the traditional proposition is that producers should exploit natural resources and subject them to the highest and best use possible. This implies that in our Capitalist dispensation, there is a risk and a possibility that if the fundamental concepts and ideas of Economics are employed, most natural resources are prone to becoming depleted. This is because Economics encourage businesses to exploit the natural resources to the best way and manner possible. This is because anything that can bring money that is not illegal can be pursued.

Shortcomings of Economics in Dealing with Sustainability

Traditional laws do not criminalise the massive exploitation of resources. This is because the mainstream process of making law is to fundamentally protect the people living in society. Hence, there was a general trend in which traditional Economics neglected the rights of the unborn. Thus, it is

generally rare for laws to be made to strictly control the misuse and depletion of natural resources.

However, environmental awareness and the need for sustainability have grown over the past 50 years. And the fundamental premise of environmentalism is that there must be some kind of sensitivity to environmental concerns when dealing with Economics. Therefore, there is the need for Economics to be adjusted.

Alternative Approaches to Economics

There is a natural tendency for Economics to adjust to embrace important changes and modifications in society. Therefore, in relation to sustainability, there is the need for Economics to emphasise on the need for environmental and natural capital to be identified and treated differently and separately from other forms of capital.

This new approach must provide metrics and processes for the measurement of environmental footprints of businesses and corporate entities. And with these systems and processes in place, there is the obligation for firms to be tasked with environmental responsibility. And this is to be done through the creation of a Corporate Social Responsibility system that will ensure that the people in charge of governance and control of firms are tasked with the responsibility to ensure that there is the measurement of the environmental footprints of firms and for organisations. Through this, a firm will be able to measure the impact of the firm's operation on the firms in order to check the impact of the firm on the environment in order to continuously improve and ensure that they do not deplete the natural environment.

Fundamental Assumptions of the New Economic Approaches

The fundamental assumption is that there must be laws and regulations that will ensure that sustainability is an important part of national discourse.

Although these laws cannot fundamentally be criminal laws, they ought to exist in their unique and distinct capacity in order to deal with the matters.

This process will ensure that the legal system and the legal process of the nation will respond to the environmental matters and situations.

Secondly, there is the need for metrics that are related to the natural resource capital base of the nation or community. And from there, there will be the need to categorise these natural resources into replaceable and non-replaceable resources. With these metrics, there must be a system through which firms can measure the impact of their actions in their production cycle.

Thirdly, firms must be tasked with the need for the observation of their actions and the processes they take part in. This will involve reporting and ensuring that they stay within the rules and regulations of the lawmakers of the land.

Overall objectives of new objectives

The overall objectives of the new approach to sustainability in Economics include the following:

1. Valuation of the national natural resource base;
2. Monitoring the consumption of natural resources;
3. Promoting improved and enhanced methods of dealing with these natural resources and this include seeking improved technology and matters in environmentalism.

How will this change Economics?

The introduction of environmentalism and sustainability in Economics will relax the premise and view that a firm can make as much money as it wants as long as its actions are legal. Hence, sustainability will place a cap and a limit on the consumption rate of natural resources and this will mean there will be environmental considerations in decision-making, as opposed to pure economic goals that are focused on increasing the wealth of shareholders only. This will shift the focus of economics and corporatism to a stakeholder perspective rather than a sole perspective steeped in shareholder enrichment.