



Nature as Stakeholder

By

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Dear Friends,

Last month, we finished discussions on the 17 SDGs. I felt an urge to continue the blog series. I plan to continue sharing my thoughts related to Sustainable Development, with a fond hope that you find them interesting.

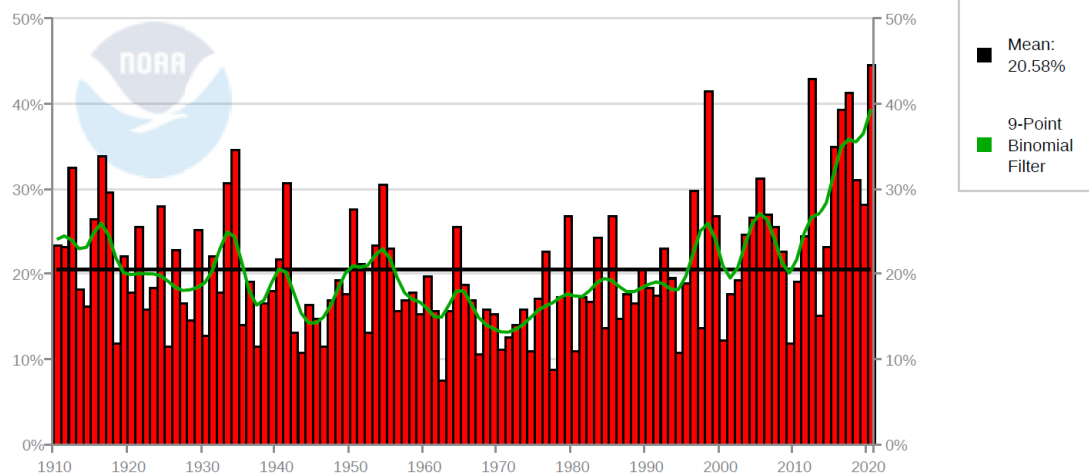
This month, I wish to put forth an idea that mankind should treat Nature as an important stakeholder. Merriam Webster dictionary defines a 'Stakeholder' as 'one who is involved in or affected by a course of action'. Generally speaking, we are used to considering only human beings and groups of them as stakeholders. However, the Pandemic has forced human beings to consider all non-human existence on Mother Earth, both living and non-living as important entities, and this prompted me to float this idea of considering Nature as a stakeholder.



There is absolutely no doubt about the fact that humanity has impacted nature adversely, and exponentially (as pointed out by Johan Rockstrom) during the past 200 years of industrial revolution, and more so since the middle of the last century. We human beings have successfully pushed all other forms of life out of their traditional habitats, in our unending quest for land for human occupation. As a result, we are witnessing an estimated 75% of all new infectious diseases emanating from zoonotic sources [1]. Zoonotic disease means a disease that humans get from animals, birds, insects etc. They are perfectly happy to live with the source of these diseases, but we humans are not. The Corona Virus is the latest example, creating a devastating impact on humanity across the globe. If you are interested to know more, you may like to view a Webinar [2] on Communicable Diseases and Environmental Change hosted by Environmental Resilience Institute of Indiana University at <https://youtu.be/nY7yeASU08k>.

The rising incidence of 'Extreme Events' in Nature is yet another response from Nature. The US National Oceanic and Atmospheric Administration (NOAA) provide the U.S. Climate Extremes Index (CEI) [3] since 1910. The following graph (please see the green trend line) shows a definite increase from the mid-90s, well above the mean.

Contiguous U.S. With Tropical Cyclone Indicator
Annual (January-December)



The UN issued a report [4] on the eve of the International Day for Disaster Risk Reduction (October 13, 2020) pointing out the heavy toll in terms of lives lost and properties damaged during the past 20 years. Globally it reported 7,348 major disasters, 1.23 million deaths, 4.2 billion people getting affected and an estimated loss of \$ 2.97 trillion during this period. The highest numbers country-wise were 577 in China, 467 in the US, 321 in India, 304 in Philippines and 278 in Indonesia.

These are some facts that support the idea that it is time that we humans consider ‘Nature as a Stakeholder’ in everything we do.

Role of Business

Business enterprises perhaps play the most significant role in using Mother Earth’s resources to produce goods and services for human consumption and make profits in the process for its shareholders or stockholders. As we have seen in the IPAT equation, Affluence, measured in terms of global GDP has had the maximum impact, and business enterprises are the primary engines driving the GDP, other than agriculture. Even agriculture is progressively getting organized as a business. Many people are advocating the concept of ‘Stakeholder Capitalism’ instead of ‘Stockholder Capitalism’. Capitalism indicates how businesses are run in all democratic societies, and Nobel laureate economist Milton Friedman was the best-known advocate for ‘profit maximization’ philosophy for all businesses. Joseph Stiglitz [5], another Nobel laureate economist countered this claim and proposed the idea of “Stakeholder capitalism’ where-in a business should try to satisfy the interests of all stakeholders – employees, customers, suppliers, communities, governments and the civil society. In a bold attempt, we are suggesting that Nature should also be included as a stakeholder.

Educating the Future Managers

The University Grants Commission (UGC), an apex body governing Higher Education in India had asked all colleges and Universities to include two subjects for all graduate education: ethics and environment. In tune with this directive, Amrita School of Business have two required courses for the MBA program, ‘Managerial values and Business Ethics’

(MVBE) and Environmental Management and Sustainable Development' (EM&SD). I had the opportunity to teach EM&SD and all blogs emanated from that course. In fact, we have a specific learning competency with respect to 'Environmental and Societal Awareness'. We are discussing if we could revise this competency as 'Nature and Society as Stakeholders'. Business literature has long accepted Society as a stakeholder. Here we are trying to push it one step further and propose Nature also as an important stakeholder. By this, we wish to suggest that all business decisions, must explicitly consider the impact of the decision on Nature.

Your comments

Kindly send your comments and suggestions to the author at s_banerji@amrita.edu

References

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