

PROFIT AND SUSTAINABLE DEVELOPMENT

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Since the 1970's, the so-called, "global problems" have become the focal point of interest of science and, eventually, policy. A number of analyses and proposals have been presented. However, these presentations usually offered no solutions, that could be widely used, as to how the present generation should form the future. In the course of discussions emerged the idea of sustainability. This concept can hardly be interpreted, in itself, unless it is incorporated in a process of sustainable development. It found its way into the vocabulary of science and policy as the future, certainly, of humankind.

In the 1960's, humankind seemed to be having a really good time but the environment was becoming dangerously polluted. Some scholars started thinking, about the future and about the problems of the life-carrying capacity of nature. Does it have unlimited or limited capacity? The answers were very difficult and very different. There came an idea, after the 1972 Stockholm UN conference, that instead of the alleged quantitative development, qualitative development had to be enforced. The idea is very beautiful and good but, it is very hard to place it in the frame of economic decision-making. The concept had a lot of different kinds of reports and some of them were very much praised, like the book, Limits to Growth. This was the beginning of "global modelling." The main question was, as I mentioned before, the life-carrying capacity of the earth and what is to be done to avoid a global catastrophe.

Coping with the Dark was edited by the International Research Institute for Applied Sciences Analysis in Luxembourg. This book covers all of the most important global models with reviews. One of the main problems, with global models, was that it was very difficult to "translate" them in the language of politicians and decision-makers, which resulted in these models remaining only in the field of science.

There were some other findings at that time. For instance Newman et. al, discovered that economic growth is not equivalent to economic development. By calculating the growth of the GNP in the United States, after World War II, they found that, in reality, the growth of the GNP does not cover the actual wealth and standard of living of the population. They introduced a new expression in economics, the so-called, "net economic welfare," which is different from the GNP, and they proved that the rapid economic growth in the United States, and in many other highly developed capitalist countries, did not cover, in reality, the actual standard of living. Other scholars, as well, had offered some very important findings in the late 19th century and the 20th century, regarding the fact that this innovation usually does not cover real social need. This implies that humankind is on a track of squandering different potentials, including initial resources.

In the late 1970's and early 1980's, two very important reports came to press and were brought to the table of politicians. These were the Brundt and Palmer reports. Brundt was a German politician, with the social-democratic, party and Palmer was the Prime Minister of Sweden. Those reports dealt with the problems of development, the contradictions between North and South, and the different deviations of humankind, as well as, with some very important issues on the environment. As a result the United Nations General Assembly set up a committee on environment and development, and this committee prepared the report, Our Common Future. This report was accepted by the general assembly of the United Nations and by Member States but, unfortunately many countries immediately forgot its importance. Once again this idea was discussed in 1992, in Rio, during the second UN meeting on the environment. The most important ideas were reiterated by a different declaration at the Rio conference, which must mean that those countries, or those governments, who undersigned this declaration accepted, once again, the idea of sustainable development. Really, the idea is excellent but it carries with it many different problems. Some scholars debated the reality and the possibility of implementation of this idea, and on the other hand, some scholars defended its implementation.

The most important problem is how we can implement the idea of sustainable development. Since, today, the United Nations has 185 member countries, this means that there are 185 different interests in the world. How can you create some equilibrium or consensus, between these different interests, in order to foster a clear preparation for the future of humankind? It is extremely difficult. However, the idea does involve limitations and restrictions, in some fields. Not to stop development, like it was proposed by the "zero growth rate" idea, but mainly to create a much better atmosphere for a better distribution of goods among different nations and different countries. There is some disagreement going on, as it was mentioned earlier, such as with the group that prepared a plan on taxation, not only on energy materials but also on natural resources. These suggestions may bring about some results but they must be tested.

Another idea deals with the problems of profit. Profit is a motivating factor of the market economy, and has been bitterly debated by some environmentalists. There were many cases when profit motivation was the main reason for environmental degradation. On the other hand, profit is very important for the future and for the realisation and implementation of sustainable development. Profit is used for different purposes, for instance, to invest new capital, or to replace old anti-environmental technology. And part of it is used by the government for

different purposes, including taxation or armament. But in the future I suppose there will be a greater possibility to regulate the use profit for much worthier purposes, helping to solve the problems of humankind.

Professor **Gyula Bora** graduated from the Budapest University of Economics. He was a Candidate for Science in Geography, and was sponsored by the Ford Foundation for his postdoctoral fellowship at the University of Chicago. He also studied US environmental policy on a WHO fellowship. Professor Bora works in the Department of Economic Geography at the Budapest University of Economics where he has also held the position of Vice Dean of the Faculty of Commerce and Vice Rector for Scientific and International affairs. His scientific activities include regional studies, industrial plant location, consulting for regional organisation and research on environmental protection model building. He has been involved in several national and international research projects, and has been Acting President of the Hungarian UN Association and President of the Hungarian Geographic Society.