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# Strategies for Sustainability of Environmental & Resources Efficiency

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## Abstract

The best model for expanding Alternative Energies and Environmental Protection globally is through using market equilibrium, whereas governmental subsidies and fiscal stimulus to be just supplementary. Market equilibrium depends of matching consumption demand and price deleveraging that could be achieved only by changing market (i.e. economic) agents from presently used tickle-down economics that stimulate big business and big investors to a more market related economics (Marketism) that would stimulate Small & Medium Businesses and Investors (SME&I) boost business activities and related employment, fiscal reserves and over all market utilized consumption.

This paper is based on two previous papers\*\* and Bibliography.

\*\* 1. Joshua Ioji Konov/ JK, 2011. "*2001 & 2007 Recessions prompted remaking of the international organizations,*" MPRA Paper 34588, University Library of Munich, Germany.

2. Joshua Ioji Konov/ JK, 2011. "*Piercing the Veil's Effect on Corporate Human Rights Violations & International Corporate Crime (Human Trafficking, Slavery, etc),*" MPRA Paper 35714, University Library of Munich, Germany.

However, it explains and adds the theory from a new prospective

## **Introduction**

The longer-term market development strategies for environmental protection and the adoption of environmentally friendly energy generation and alternative ways of consumption to reduce pollution and waste are essential. Such should be done on a global scale too, whereas the interdependence is real. *Shocks apparently emanating in the United States have led to the largest global slowdown since the 1930s.*, Tamim Bayoumi and Trung Bui, WP/10/239. In general, the alternative energies' technologies and environmental protection are an expensive proposition unreachable by less-developed markets (i.e. economies) whereas market (i.e. economic) stagnation has been accelerated by the last 2007-9 Great Recession thus the probabilities for many greatly underdeveloped markets to adapt some advanced technologies for environmental protection and reduce pollution and waste is practically incomprehensible. *The ongoing globalization and rising productivity have established some very new market (i.e. economic) conditions of deindustrialization of some developed markets as the US, most EU, and Japan ones, and conditions of lack of possibility for industrialization of other undeveloped markets as Eastern Europe, Southern Europe, many African and e.g. markets.\* "This climb is a permanent, irreversible change. With China and India -- which together*

*account for almost 40 percent of the world's population -- resolutely moving up this ladder, structural economic changes in emerging countries will only have more impact on the rest of the world in the future.*" Michael Spence (2011).

The long-term recessions as the last one could hardly be self-adjusting by cyclical market forces as it was observed in the last recession; whereas the governments interfered in the markets (i.e. economies) indiscriminately through stimulus packages, direct intervention in the AIG and GM cases, or even farther through Quantitative Easing. Hence, market equilibrium was not left on its self-adjusting powers but it was reached by direct governmental actions to ensure the overall market stability.

The trickle-down economics considers self-adjusting business cycles as necessities for cutting redundancies; a system of market forces based on rising productivity and investment of shady business practices and reduced business laws *Currently, these standards do not create binding legal obligations on U.S. corporations and state law fiduciary duty standards do not compel corporate Boards of Directors to act in furtherance...* Law firm of Fried, Frank, Harris, Shriver & Jacobson LLP (2007), of tricked-up concentration of capital promoting large transnational corporations and large investors. Capital that would trickle-down to markets (e.g. economies); these agents are supposed to prompt and maintain market (i.e. economic) development (i.e. growth). A system that had brought economic growth for a few Centuries in the US, many EU

markets (i.e. countries) and Japan to be successfully built developed markets (i.e. economies). However, with the most recent accelerated Globalization, rising Productivity, China's industrialization, the overall advances in technologies and Internet the global market equilibrium has been greatly affected. Hence, the marginalizing US income and declining middle class (see Table 1); and

*“Transnational Corporations, which are considered by the modern economics as frontiers of high productivity and global growth, however their actions have had negative effect in many occasions on the market development of countries as Bulgaria, Romania, Latvia, etc., countries losing equity by letting existing infrastructure deteriorate, reducing their Social Policies and Medicare, and finally deepening into general disproportioned inequality and weak consumption (market demand) into national debt. Joshua Ioji Konov, 2011; Jan Babecky, Ales Bulir, and Katerina Smidkova, WP/10/198 for the last 20 years and the last 2007-9 Recession's severity was the best example for the imbalance (i.e. disequilibrium) in the local and global “demand-to-supply” marketplaces. The Imbalance (i.e. disequilibrium), which could not have been adjusted but by direct governmental interference and when under the emerging conditions in the European Union interference was not properly applied the consequences were recessionary well observed (e.g. the EU marketplace). Modern days global monetary and fiscal policies by the MDIE that have changes after 1979 from PMAF to AMPF*

*policies, Nora Traum and Shu-Chun S. Yang, WP/10/243. A large deleveraging of foreign assets by Belgium and Swiss banks (about 30 percent of foreign assets), followed by British and German banks (with deleveraging of respectively 24 percent and 21 percent), US and Dutch banks (13 percent), and French banks (10 percent, however the up to 40 deleveraging by all factors of banking can cause high losses and a collapse of international banking activities.” Thierry Tressel, WP/10/236*

The faster action by the Chinese, the Japanese and the US governments' the better results were observed, the slower and indecisive action by the EU the worst and less successful market (i.e. economic) results. *Most studies reach the broad conclusion that fiscal policy is cyclical in developing markets and countercyclical or acyclical in industrialized ones. 2, Javier Arze del Granado, Sanjeev Gupta, and Alejandro Hajdenberg, WP/10/234*

Long-term strategies to protect the environment directly reflect a consistent global market development. Hence, pricy technologies for reducing pollution combined with economic consequences of stopping pollution and deforestation could be achieved under the most recent global market conditions only by business diversification, business enhancement, and overall development in a more secure marketplace. The Rule of Law of contract laws, intellectual protection laws, adequate insurance and bonding, and

e.g. raises the market security establishing conditions for more lend-able SME&I and less-developed markets, which combined with the artificial for the markets Social and Environmental Expenses becoming more equitable in such more secure marketplace might invoke major market noise. *In V.P. Maslov (2008) the theory of complexity in monetary policies, which could be achieved by diversity in currencies in this paper is extended to micro-macro market complexity of putting new weights on business from easy business of shady practices into more regulated business. The new complexity (entropy) on a global scale from micro-macro market level will bring similar effect to the real marketplace (i.e. Economy), thus the complexity needed will stop the coming debt disaster and reverses it under the new conditions into global development.* Joshua Ioji Konov, 2011.

This paper comprehends those long-term strategies for adopting the necessary technologies and approaches to prevent global warming and exhaustion of resources that could be only utilized into a system of relative market equilibrium under the conditions of global market long-term development. Therefore, to ensure such is needed substantial and fundamental change of approaches toward less developed markets and developed ones, whereas from general market (i.e. economic, business approaches) that promote big business and big investors into one that does promote and maintain relatively fair market competition.

The Marketism is based on free entrepreneurship as main motor for market development (i.e. economic growth). Moreover, even when Social and Infrastructural expenses alone with Lower Interest Loans and Subsidies are included as market agents to prompt market development these agents are considered artificial to the markets that could be used only in cohesion with the natural for the markets free business market agents. The Marketism accepts randomness as market (i.e. business) development (i.e. cycles) whereas market agents (i.e. economic agents) are used to reach market equilibrium. The accumulated in time market redundancies under this new system of Marketism should be extinguished and deleveraged by using natural and artificial market agents, whereas parameters in more like system resembling Quantum Physics called Quantum Economics.

### **Marketism and Environmental Strategies**

Market development (i.e. economic growth) not relying on the governments but mostly on the free entrepreneurship in the conditions of Global Warming and Decreasing Earth Resources could be only achieved if global market security is enhanced that is in the fundamentals of the Marketism, whereas Environmental Strategies are not anymore uncompetitive redundancies but part of the market creating employment. The Capitalism is based on lower economic security, relatively high lending interest rate (exclude Tier I), shady business practices, sharply fluctuating business cycles, and e.g. the Marketism is based on higher market security, relatively lower lending rates, the rule of law in business, adjusted randomly market fluctuations by using statistics to locate and parameters to



disperse negative built-ups. *The formal firms are the most severely affected by financing obstacles.* Era Dabla-Norris and Gabriela Inchauste (WP/07/112). The Environmental Strategies could become part of the Marketism in a more diverse business environment whereas these are redundant for the Capitalism as uncompetitive, in the Capitalism Environmental Strategies could be developed artificially only thru governmental subsidies and fiscal breaks.

### **Market Security**

The productivity and the investment are the main agents for economic growth in the Capitalism, business laws and regulations, taxation to the rich, social and infrastructural expenses, consumer protection laws, even intellectual property laws and any uncompetitive agents such as the Environmental Strategies, e.g. are breaks in the way to economic growth. However, in time under the social and market pressures some business laws and intellectual protection laws have been better implemented by the best-developed economies than it has been by the developing and undeveloped economies. Even when it was considered that to prompt growth these breaks should be relaxed, What about the developing and undeveloped economies these are pushed by the International Organizations (WTO, the WB, and the IMF) toward lower taxation, relaxed business laws and regulations to attract foreign investment, *“Corporations may have assets and liabilities, but they don’t commit crimes — their officers, executives and employees do.*

*And the 23-page letter agreement between Tyson and the Department of Justice, the criminal information, and the S.E.C.'s public statement of facts all withheld names, identifying the participants only as "senior executive," "VP International," "VP Audit" and so on.*" Wells, Louis T. and Rafiq Ahmed, Making Foreign Investment Safe: Property Rights and National Sovereignty (2007) generally and 151–153 the transnational corporations : *"a large fraction of disputes related to foreign investments nowadays is settled by private arbitration and not by national courts. So corporate law firms and accounting firms add yet additional layers to routine transnational rule-making."* Howard Man, Senior International Law Advisor International Institute for Sustainable Development, 2008 and thus to boost productivity. In history such approach had worked fine until the major changes in the last 20-25 years, whereas the major tip-off in industrial production has occurred with the mentioned above\* *"IMF-supported market reforms, with their emphasis on fiscal reforms, have affected the procyclical behavior of government spending in developing countries."* Bernardin Akitoby, Benedict Clements, Sanjeev Gupta, and Gabriela Inchauste, WP/04/20. The new era of some new priorities has disbalansed the system thus the Marketism has become achievable as never before in history. Apriority of this new system is to enhance the market security establish conditions for lower lending rates, and to aggregate SME&I and Less Developed

Countries' market participation. On local markets or on the global marketplace the effect by enhancing the market security is similar lower interest lending rates that will allow more participants, more business diversity and more consumption (i.e. market demand). By its nature such change is a market revolution, however, by its details it is a very practical micro and macro economic modification of simplified close to the market forces amendments. Achieved high market security would allow long-term environmental strategies' market related utilization, for such becoming part of the global market competition.

### **Market Changes and Enhancements**

As mentioned above the market (i.e. economic) agents that work to prompt economic growth (i.e. market development) in the Capitalism do not necessary prompt market development (i.e. economic growth of the Marketism as follows:

Capitalism	Marketism
Shady business contract laws	Strict rule of law in business
Limited liability corporate legal form	Unlimited liability corporate legal for decision makers form
Business and market exchanges regulations	Business and market exchanges laws
Vague liability and project insurance	Comprehensive liability and project insurance, and bonding
Vague intellectual property protection	Comprehensive intellectual property protection

Vague environmental and consumer protection	Comprehensive environmental and consumer protection
Social and infrastructure as expenses	Social and infrastructure as partial equities
WB and IMF as lender	WB and IMF as promoter and controller
Pro cyclical economics	Counter-cyclical economics
Low Governmental employment and low taxes	Balanced governmental employment and taxes to overall market activity
Productivity and investment as main economic agent	Business activity (i.e. noise) and diversity as main market agent
National budget as leading indicator to a country's economy	Inflation/deflation as leading indicator to a country's market
Big business and investors as beneficiaries - compare to SME&I same for small and underdeveloped countries	All market participants including Small and Medium business and investors, small and underdeveloped markets as beneficiaries
Pro supply economic policies	Pro market equilibrium market economics
Global currencies merging (i.e. EU)	Global currencies diversification

The Marketism utilizes on these changes and enhancements to marginalize engraved for centuries market insufficiencies in order to accelerate market activities and overall market noise under a market environment of well developed global industrial basis and capabilities of the US, Japan, China, Germany, and etc.

## **Environmental Protection one of the Agents for**

### **Development**

If higher market security enhances market noise (i.e. business activities) and diversity the particular and important market agent - Environmental Protection is to be fundamental to carry on even further this market noise and the following market development. Markets, which are creating conditions for faster market development and could be pushed by targeted market leaps or consistent pressures on some particular market segments that could bring overall accelerated market development. Alternative energies, farming, and technologies are the one to improve environmental protection, lower pollution and reduce the usage of Earth resources, however if these are competitive market activities, boosted through subsidies and low rates lending it (the environmental protection) could be the major agent for overall market development. The most important, as mentioned above, is such market agent to be natural to the market competition (not artificial as it is now, because of the uncompetitiveness of high prices, low productivity, ineffectiveness it brings). Thus, if the system of economics creates more diverse and comprehensive market conditions the complexity (i.e. noise) of such market environment would utilize the Environmental

Protection as market more efficient agent. By itself, such market efficiency would create employment and working competitiveness being rightly subjective to current market equilibrium. Whereas *improving productivity and international investment* is a market agent that increase market noise by its improving efficiency and competitiveness in an market environment of dominance for Large Businesses and Investors, the *improving productivity and international investment enhanced by inclusion of more participants* is a market agent to increase the market noise in a market place overloaded with industrial goods and manufacturing capabilities in a market environment of no dominance but relatively fair market competition.

In a market place with high noise of business activities the overcapitalization, which in case provoked the 2007-9 Recession and all other recession before, would not do such harmful effect as it was experienced because the energies that built such overcapitalization will disperse into other market sections, however preventive actions should be used, too. The transmissionability of a more diverse and active marketplace is to be increasing, therefore any monetary and fiscal actions would have more and faster effect on the overall market (i.e. economy). Generally, under the conditions of lower lending interest rates the market as a whole would be able to accumulate and go thru longer-term negative recessionary periods without structural disintegration.

### **Environmental Protection and Lower Lending Rates**

Lower lending rates mean generally higher business activities, on a global scale it consequences less poverty and underdevelopment. For the environmental protection to become globally effective the only global market prospective is feasible. Pollution from exhausted aging vehicles and primitive heating, deforestation, uncontrollable waist disposal, e.g. are uncontrollable in underdeveloped and undeveloped markets (i.e. countries, economies), but international dependence from pollution is enveloping Earth. Moreover, if hypothetically the global marketplace driven by productivity and international investment noise is industrialized, and global economic growth is succeeded by the currently accepted economics the disproportioned pollution and exhaustion of resources would destroy it all. If, however, the underdevelopment continues the pollution and waist would destroy it too, maybe a bit later. Considering these two possibilities only a third more comprehensive is possible whereas many markets (i.e. economies, countries) are given conditions to develop but not by industrialization. I.e., immediately, the question appears, is it possible, anyway?

### **Industrialization and Market Development**

The industrialization is the highest point of development in the Capitalism; the technologies and R&D, education and middle class, taxation and fiscal policies are all directly related to the industrial production, therefore with the decline in industrial production overall economic decline is imminent. As the farming was fundamental for an economy development the industrial production is now. However, the new global developments\* have reduce the

opportunities for many markets (i.e. economies) to maintain needed for their fiscal reserves industrial production and for great many others to industrialize. Thus, developed and developing markets alike could not manage their fiscal balance or develop in case, therefore high unemployment, underemployment, fiscal shortages, declining middle class, deficit and national debt have become synonyms of lack of industrial production. Economic growth is impossible without only industrial production; market development is only partially dependent on industrial production. Even productivity and investment agent does not lose importance in Marketism the market noise from enhanced business activities should become market agent not less prompting market development; the market equilibrium in such conditions should be more market oriented than it is now, whereas governmental involvement would be less in percentage-wise in compression. The improving technologies, the internet, the high manufacturing capacity of transnationals and China, the easy moving and outsourcing capabilities, the open global marketplace, e.g. are of great balancing supply market agent.

### **Environmental Protection and International Organizations**

The WTO, WB, and IMF are being founded on the principle of lending and regulating institutions lending on relatively high interest rate and short term to less and undeveloped markets (i.e. countries). The high risk of the borrowers justified the high rates and short terms.



Progressively global security exchange markets have taken over by trading sovereign debt on free market principles. Both ways at and after the 2007-9 Recession the abilities of many countries to repay their debt have been declining and fewer countries are daring to borrow from the international organization changing them to transmitters of subsidies and emergencies help funds. *While public flows plunged in all countries, there is an indication that grants were replacing loans in low-income countries, which is consistent with donor commitments,* Jean-Louis Combes, Tidiane Kinda, and Patrick Plane, WP/1109 The targeted by these organizations global economic growth has decelerated into global slow down and recession but a few exceptions. This process, however, has had some longer tail of at least 20 years with deteriorating borrow-ability and repayment-ability, which process could be connected to the weakening consumption in the most developed economies and the rising industrial capability of China, India, and e.g. that has undercut many countries for manufacturing and exporting goods. *As some of these countries are also heavily dependent on external financing from banks and investors, around 60-70 percent for Greece, Ireland and Portugal, a financing crisis becomes almost inevitable,* Joshua Iloji Konov, 2011. The return on the invested capital coming through WB and IMF funds for many countries has deteriorated, *“The outflow of foreign capital from emerging and developing countries, with its destabilizing effect on private and public*

*finances in these markets.* Ralph Chami, Dalia Hakura, and Peter Montiel, WP/09/91 whereas the globalization has utilized energy and commodity prices rising constantly. Hence, the borrowed capital disappeared into covering previous debt, basic expenses, and corruption instead of prompting economic growth. The international organizations started lending on project-by-project basis that made no difference to the conclusions above.

Even the ways of lending of the international organizations have practically changed ideologically and conceptionally they have not evolved: the formal tightening budgets and close deficit observance are in practice as ever that in a volatile and insecure marketplace is well reasonable. However, with the ongoing changes of realities\* the role of the international organizations must change too by comprehending and accommodating these realities into regulatory and financial structures prompting market development and managing inflationary processes. From mostly being a lender and collector to mostly being a promoter and controller the international organizations should promote the rule of law in business and other Marketism' utilities on the global marketplace, and thru lower lending rates to raise market noise and diversity.

### **Business Laws and Environmental Protection**

Business regulations mostly used for environmental protection should change into business laws apply indiscriminately and unconditionally. *Moreover, formal firm growth improves with better enforcement as measured by fair and impartial courts,*

*while informal firm growth is constrained by organized crime, pointing to their inability to take full advantage of the legal and judicial systems* Era Dabla-Norris and Gabriela Inchauste WP/07/112. Hence, unless easing business laws in currently used system prompt economics growth the enhanced business laws would have the opposite effect under the Marketism prompting market noise and diverse business environment. When it comes to environmental protection the effect by such change would have the most positive consequences of all. In a higher security market place in lower lending rates environment whereas governments and international organizations use subsidies and fiscal tools to boost market development thru marginalizing market disadvantage for the SME&I the whole new market opportunities will appear... the individual imagination and creativity and the individual entrepreneurship would flourish. Things like consumer protection and environmental protection, the strict business laws e.g. would not prevent businesses and investors from expanding, but in the opposite will level-up competition creating more opportunities in high technologies and more market related education.

## **Conclusions**

This paper may seem to optimistic to be considered bordering unreality, however the possibilities that could come with rising market security on a global scale may go even farther. The inclusion of Environmental Protection in the market competition as an market agent instead of the subsidized by the governments artificial part, as it is nowadays, is a possibility if not the only one that could save

Earth from destruction. The system of Marketism is founded on free entrepreneurship and individual freedoms a natural Historical extension entailed into the best-succeeded economic systems of the past.

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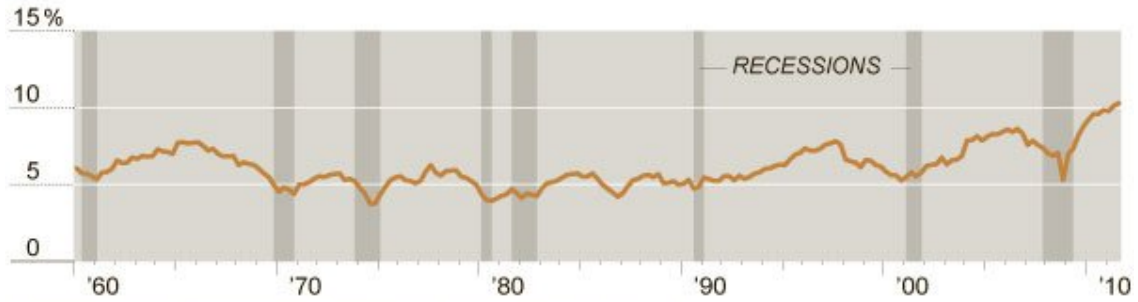
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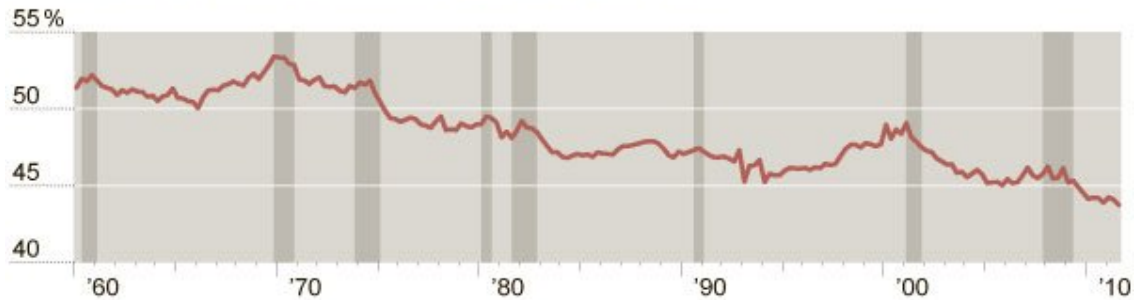
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**Table 1 (FRED)**

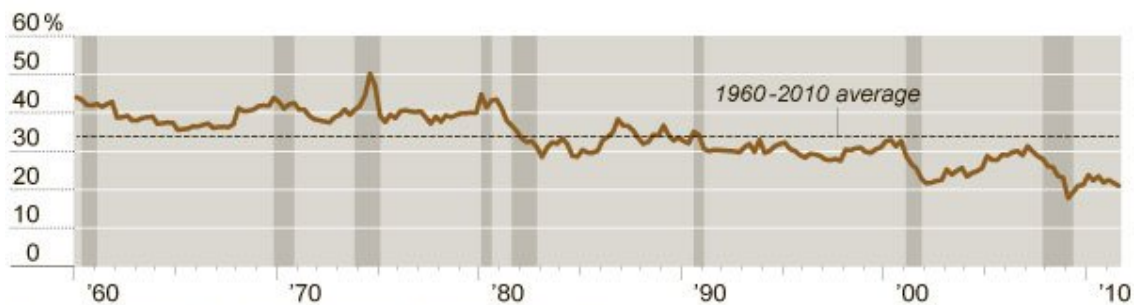
**Corporate profits after tax, as a percentage of G.D.P.**



**Personal wage and salary income as a percentage of G.D.P.**



**Corporate taxes as a percentage of corporate profits**



**Personal taxes as a percentage of personal income**

