

**Philosophy of Finance Fellowship: Fall 2021**  
**Markets and the Environment**

**Seminar 3:** *Using the profit motive to solve environmental problems*

Rick Fedrizzi, "Can the Profit Motive Save Environmentalism?"

Masad Movahed, "Does Capitalism Have to be Bad for the Environment?"

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*Our third seminar takes up the question of the relationship between capitalism and the environment. We read two essays which reach different conclusions on this topic. Rick Fedrizzi, head of the US Green Building Council, makes the case that environmentalists need to embrace the profit motive as a way to make their movement more effective in tackling climate issues. Specifically, Fedrizzi argues that the environmentalist movement is running out of time to have the impact on climate that is desperately needed. The solution, in his view, is to use market mechanisms to make sustainability profitable. Once the profit motive is introduced into environmentalism, it will catalyze the behavior changes needed for saving the planet.*

*In an opposing view, Masad Movahed's piece for the World Economic Forum concludes that there are downsides to the profit motive. While acknowledging that it contributes to efficiency and productivity, Movahed argues that the profit motive induces a cycle of endless consumption with adverse consequences for the environment. He claims that the market dynamics of capitalism do not allow the environment to be taken into account. Therefore, some government intervention is needed.*

*Questions to think about while reading these pieces:*

*The authors reach conflicting conclusions about the profit motive. Who do you think has the better argument?*

*What point is Fedrizzi making about the Keystone Pipeline? What does he think should have been done?*

*Is the success of the Montreal Protocol an argument for greater use of the profit motive in environmentalism?*

*Is Movahed right to say that capitalism can never accommodate the needs of the planet?*