Classical Capitalism Vs. Natural Capitalism

The following definitions come from the book Natural Capitalism by Paul Hawkin, Lovin, et. al. On your own notebook piece of paper work with your tablemate to make a T chart that compares Classical Capitalism with Natural Capitalism. Read the descriptions for each type of capitalism below and fill in the chart **using your own words**.

**Classical Capitalism**

* **Economic progress can best occur in free-market systems of production and distribution where reinvested profits make labor and capital increasingly productive.**
* **Competitive advantage is gained when bigger, more efficient plants manufacture more products for sale to expanding markets.**
* **Growth in total output (GDP) maximizes human well-being.**
* **Any resource shortages that do occur will elicit the development of substitutes.**
* **Concerns for a healthy environment are important but must be balanced against the requirements of economic growth, if a high standard of living is to be maintained.**
* **Free enterprise and market forces will allocate people and resources to their highest and best uses.**

**Natural Capitalism**

* **The environment is not a minor factor of production but rather is “an envelope containing, provisioning, and sustaining the entire economy.”**
* **The limiting factor to future economic development is the availability and functionality of natural capital, in particular, life-supporting services that have no substitutes and currently have no market value.**
* **Misconceived or badly designed business systems, population growth, and wasteful patterns of consumption are the primary causes of the loss of natural capital, and all three must be addressed to achieve a sustainable economy.**
* **Future economic progress can best take place in democratic, market-based systems of production and distribution in which all forms of capital are fully valued, including human, manufactured, financial, and natural capital.**
* **One of the keys to the most beneficial employment of people, money and the environment is radical increases in resource productivity.**
* **Human welfare is best served by improving the quality and flow of desired services delivered, rather than by merely increasing the total dollar flow.**
* **Economic and environmental sustainability depends on redressing global inequities of income and material well-being**