



Grasp The Opportunities For Sustainable Business

Guest Writer - Bruce Nixon

For socially responsible entrepreneurs there are fantastic opportunities to do well by doing good. More and more people want to live more sustainably and are looking for products and services that will enable them to do so. Anita Roddick was ahead of her time. She started small and developed a highly successful and responsible business. But she also realised that the system needed changing too and she became an activist. Big business and government are typically slow to change. New, small businesses are often the source of innovation and they play a major part in fundamentally changing society. First we need to be fully aware of the situation the world faces.

The situation facing us

It is a wonderful world. For many of us in developed countries, things have never been better. However there always is an upside and a downside. The world faces what looks like the biggest crisis in recent history. Recent floods in England have brought it home to us. Every day there is more news about the potentially devastating effects of climate change. People everywhere will be affected, both business and people, especially the poor. We cannot be other than concerned especially for our children and their children and poorer people throughout the world. There is a danger in being complacent or thinking there is nothing we can do.

The Stern Review, commissioned by the UK government, sets out devastating consequences and warns that the global economic cost of climate change to business and governments could eventually reach 20% of world GDP if nothing is done.

The scientific consensus is that the environmental crisis is a man made, largely caused by CO₂ and methane. Even if, as some argue, it's mainly down to solar activity, we still face a crisis.

However, it's much more complex than climate change.

The two big issues are:

1. The effects of continuing economic growth on the planet
2. Poverty.

Ecological harm and poverty are inseparably linked.

1. ***We are consuming at a rapidly growing rate that is unsustainable and degrading the planet's resources.*** Putting it bluntly, we are taking more than our fair share. London's "footprint" is huge: London requires 125 times its surface area to provide its needs. If everyone consumed like Westerners, we would need three planets. Yet most countries aspire to this unsustainable "Western" way of life.

In an economy heavily dependent on fossil fuels, there are already signs of emerging fuel and food shortages and rising costs. We face degradation of the soil, increasing pollution, and growing shortages of fossil fuels, food, land and water, already leading to conflicts. The West has exported much of its manufacturing with all the pollution problems, to poorer, developing countries less able to operate sustainably.

Human beings are part of an intricate, interconnected relationship between Planet Earth and all life. If we want a sustainable future, we need to protect this ecological diversity of which we are a part.

2. ***Sustainability must include global economic and social justice.*** As we learn from the media and travel more we become more aware of how fortunate we are and that it is very different for the majority of people in the world, who are relatively or very poor. If we want a secure and peaceful world, in which people and business can flourish, it means tackling extreme poverty. We know the facts: millions live in poverty and face starvation; they are afflicted with disease much of which could easily be prevented or cured. Millions of children die. If they survive, their lives are stunted by lack of education and opportunity. Many live in fear and insecurity generated by violence.

There can be no peace or security without global economic justice and respect for difference. Developed nations are largely unaware of their use of militarism and the extent of the military economy. They initiated the development of nuclear weapons that has led to nuclear proliferation. Unfair, colonialist foreign policies create hostility and contribute to growing international "terrorism".

Growth isn't working well as a means of reducing poverty. It is rapidly fuelling climate change, global warming and degradation of the soil and ecological system. In reducing poverty, rapid economic growth is inefficient and far too slow. Between 1990 and 2001, for every \$100 of growth in the world's per person income, only \$0.60 contributed to reducing poverty below the \$1-a-day level (New Economics Foundation report, June, 2007).

It's making many people richer, raising the incomes of middle classes and wealthier nations. But on the down side, it is creating problems everywhere, most of all in poor countries and the poor parts of rich countries like northern England. Certainly some countries, like Singapore have been lifted out of poverty, but in many cases, like our own, not through free trade. There is a growing consensus that *Fair*, not *free, trade* is needed, giving each country, with support from richer ones, the freedom to develop its own unique way.

Although Britain is the 4th or 5th largest economy, its success comes at a cost. It is partly based on London's attractiveness as a place for billionaires to live and make money. Disproportionate wealth contributes to social divisions and the problem of unaffordable housing in London and similar problems in the countryside. The City's financial expertise includes tax avoidance and evasion, off shore tax havens and money laundering.

The happiest countries tend to have more equal income distribution. In the seventies, incomes were getting more equal; now the reverse is happening. Like the USA, UK ranks low on most measures of wellbeing. Social mobility in Britain is worse than in other

advanced countries and declining (London School of Economics and Sutton Trust). There is growing poverty in the countryside; rural services are declining; the rural population is ageing, as the young people cannot afford to stay there and migrate to towns. We are producing only 60% of our food (Commission for Rural Communities) and destroying local, fresh food production.

Sourcing for "lowest cost" externalises social, health and environmental costs. We, the taxpayers pay the "clean up" bill and the effects rebound on us.

We are drifting. Years of successive summits and concerts have produced relatively little action. The Iraq war diverted attention and resources from the biggest issues we face, namely the environment and poverty. Why are we responding so slowly to an apparent crisis, when effective action is urgently needed?

It's the system. An unsustainable economic system is at the root of the crisis. Most people have good intentions and care about less fortunate people and the world our children and grandchildren will grow up in. But businesses cannot respond sufficiently **and** survive in the current system. We need *whole system* thinking. It is little use addressing *symptoms*, as the history of New Labour seems to demonstrate. We need to understand the system and tackle the key *underlying* issues. We are part of a *living system*, an interacting relationship between the planet and all living things on it, which cannot be controlled like a machine. Living systems hit back hard if not respected, as both climate change and consequences of "the war on terror" show.

Global institutions such as the World Bank, WTO and IMF are not sufficiently representative of all countries. They are too much influenced by certain economic theories and the interests of big business. We are caught up in unsustainable consumerism, created in the forties alongside easy credit and built in obsolescence, to keep US factories producing.

Some people argue that a key part of this system is debt, debt money, out of control financial markets, "perverse" taxation and very large tax avoidance (eg James Robertson – *working for a sane alternative* www.jamesrobertson.com). Only 3% percent of money is issued by government or central banks. The rest is debt money created by banks. This, it is argued, creates a large burden of debt; fuels consumption and needlessly puts up the cost of public infrastructure. Debt especially affects poor people and countries. Financial markets cause instability for businesses, create a focus on the short term, share values and short-term profitability and thus diverting attention away from the long term and stewardship. Taxes are "perverse" in the sense that rich people pay least proportionately and they do not sufficiently encourage sustainability and enterprise. They are also complicated and relatively inaccessible without expensive advice. Current measures to alleviate poverty are partially ineffective and relatively expensive to administer. Because almost all of us have a stake in this system, we need to look at it with an open mind. Also, to avoid damaging legitimate interests, changes need to be carefully considered, moderate and gradual, starting with the those that would make most difference and do least harm.

We need a changed economic system and reformed global institutions, focussed on the key priority - meeting human needs: protecting the planet; tackling poverty, disease and violence worldwide; giving everyone the chance of meaningful work and healthy and fulfilling lives. These aspirations are expressed in the UN Millennium Goals.

We created the system and we can change it. People change the world.

In case you become discouraged by the seeming impossibility of complex, radical change, the

key thing to remember is that *everyone* changes the world and

"Whatever you do may seem insignificant, but it is most important that you do it."

Mahatma Gandhi

What we need to do as individuals, organisations and governments.

We need greater awareness and a change of consciousness. This is pragmatic, not idealistic. We need to avoid being in denial or behaving as if we are powerless to make any difference.

Reversing climate change We need to rapidly cut rising global CO2 emissions, largely resulting from using fossil fuels, to a sustainable world average of 3 tonnes per person. Methane emissions, mainly coming from cattle and refuse dumps, and emissions from high-flying aircraft, especially damaging, are also rising. Wealthy people and countries pollute most; poor countries and people will be worst affected. People in UK and EU account for 12.5 tonnes (average) greenhouse gases per year and rising; US and Canada some 20; China 4; India 2 and sub Saharan Africa less than one. (Goodall, C, 2007)

EU and UK, need to get down to 3 tonnes, perhaps aiming for 2, an 80% reduction, some argue 90%. Rich countries bear the heaviest responsibility; we have the technological capability and the means. The "West," seen by other nations to have created the problems, needs to show the way, set an example and help poorer nations develop their own ways out of poverty and into sustainability. As Meg Wheatley says, it's our turn to help the world (Nixon, B, 2006, Foreword).

Individuals are **directly** responsible for 44% of CO2 emissions – indirectly far more. Ultimately the fairest solution may be a personal CO2 or footprint limit for every person on the planet.

We all need to take action. The momentum is gathering. Business really is responding and a huge amount of change is going on all the time. But people, companies and government are doing too little, too slowly to avoid catastrophe. Government strategy is not joined up. UK government schemes are too timid and are unlikely to reach its targets. International aviation and shipping emissions should be included in targets. Government has ample scope to make an impact and set a good example –operating its buildings, investments in infrastructure, individual behaviour of ministers and civil servants such as how they travel, sourcing decisions and influencing suppliers and transport policy and strategy. Enabling measures are needed to remove obstacles, reward the sustainable, make sustainability affordable for everyone, firmer penalties for the unsustainable, nurturing nascent technology, helping make "going green" profitable and giving local communities more responsibility and more say. Governments also need to bring about **level playing fields internationally, global and regional frameworks, so that nations and corporations can act more responsibly without severely disadvantaging themselves.** We can't wait for or blame others. Everyone has to take personal responsibility and use their purchasing and "people" power.

We also need to press for changes in the unsustainable economic system in order to remove the obstacles to change.

What we need to do - specifically.

"The world has enough for everyone's need, but not enough for anyone's greed."

Mahatma Gandhi

Principles for sustainability:

- ***Reduce***
- ***Reuse***
- ***Recycle***
- ***Repair***

Individuals need to transform the way we work and live. It means consuming less; minimising use of non-renewable and non-biodegradable resources; avoiding toxic substances and products that cannot be recycled. UPVC and nuclear power use toxic processes and produce non-biodegradable waste. Obviously, we need to be flexible and make balanced decisions (Friends of the Earth and Centre for Alternative Technology provide advice).

For business, a prudent "Green" strategy makes money, regardless of ethics. Businesses that respond to the challenge and growing customer awareness can enhance profitability and competitive position.

A model for sustainable businesses is Interface, a worldwide company producing floor coverings, fabrics for airliner seats, speciality chemicals and interior architectural products. Interface's principle is "*do well by doing good,*" says, septuagenarian, Ray Anderson, Chairman and founder of Interface. Companies like this are a minority but their number is growing, often from small beginnings. Sustainability is at the heart of Interface. Interface aims for a "zero footprint" and is more than half way there. It has helped create a host of sustainable companies in its supply chain. Go to Interface's website to find out what they have done.

In bringing about innovations, small companies are often in the lead.

A brilliant example is Sherwood Energy Village, created on a former colliery site, providing a site for industry, housing, recreation and education. It exemplifies energy efficiency, promotion of renewable energy and biodiversity in all its developments. Another is Remarkable <http://www.remarkable.co.uk> who make all kinds of office supplies out of recycled materials and have grown from strength to strength.

How can you help? Be a catalyst to make change happen.

There are five spheres in which we need to work: in ourselves, the source from which change begins; our family and home; our community; our workplace; the world.

1. ***First, be the change*** Change begins within. Decide what really matters to you, your values and purpose. Follow your energy and do what you feel passionate about. Trust your instincts. Prioritise and focus on what is most important to you. Own up to your deficiencies and take responsibility for them.
2. ***Lead transformation in your workplace.*** This means being a change agent.
3. ***Finally, be a world citizen.*** Lobby big business, national government, regional and

global institutions. Play a part in your community. Press for local, national and global change. Be fully aware and informed (Ecologist). It is our responsibility to be fully aware and informed, continuously. Play a part in your community.

"Be the change you want to see in the world" **Mahatma Gandhi.**

Here is an approach that works. It applies to your workplace or community however large, including the world.

Getting sustainability it into the heart of your workplace

- **Prepare the ground for change**
- **Spread a philosophy of seeing the business opportunities in the big issues**
- **Be a trustworthy mentor.** Get alongside people; listen to them; ask them how they would like things to be; ask people what they think the big issues are; how they think the business is helping and where it is doing harm; ask potential or actual customers products and services they need or what needs to be changed.
- **Work with the energy for change,** "crusading forces" - **also** listen to and respect "restraining forces."
- **Facilitate co-creation.** Bring key stakeholders together, the full diversity of the system. Challenge them but also help them think it through for themselves and build a picture of the global challenges. Help them: identify the big issues; grasp the opportunities; study what's working inside the organisation and elsewhere; articulate inspiring vision and outcomes; examine and make the case; and implement successful strategies for change.
- **Develop leaders of leaders.**
- **Help people review,** evaluate and learn from what works, not working and what needs to be done differently. Celebration, giving and receiving appreciation, fuels energy and recovery from setbacks and learning.
- **Sustain yourself.** Take inspiration from good models. Allow time to reflect and renew. Get yourself friends *who will tell you the truth* – even if you may not like it!

Change the system. Here are some key campaigns working to change the underlying system. They will open your eyes. Google their websites:

1. **Agriculture, not agribusiness** (Soil Association, Vandana Shiva, Garden Organic).
2. **Company law reform** to embrace the environment and society as a whole (Centre for Tomorrow's Company).
3. **Ending poverty – fair global trade** - a radically new framework. (**World Development Movement, Christian Aid, Oxfam**)
4. **Localisation,** power to local communities, local healthy food, restoring high streets and village communities (New Economics Foundation, Local Works, Slow Food and Transition Towns).
5. **Reforming democracy,** giving power to local communities, greater power to parliament to prevent the executive withholding information and over-riding the wishes of citizens – going to war, nuclear. (Pressure Works, New Politics Network's "Power to the People", WriteToThem.com)
6. **Sustainable buildings, cities, communities and transportation.** (NEF, Herbert Girardet's *CitiesPeoplePlanet - Liveable Cities for a Sustainable World* and Transport 2000).
7. **New Economics:** (New Economics Foundation, James Robertson – *working for a sane alternative*).
8. **Violence - resolving conflict non-violently** - personal, national and international

(Oxfam, CND, Greenpeace,).

Predictions

I don't like making predictions. You are sure to be wrong. Scaremongering is not constructive. Human beings are too creative to let total disaster happen. However, if we do not act decisively these consequences are likely, the first five predicted by Stern:

- As he estimated, the global economic cost of climate change to business and governments could eventually reach 20% of world GDP if nothing is done.
- A more than 75% chance of global temperatures rising by 2-3 % over the next 50 years and a 50% chance they will rise by 5%.
- Rising sea levels could leave 200 million people permanently displaced
- Up to 40% wild life species could face extinction
- By 2080 sea levels round Britain are expected to rise 26 to 86 cm; flooding in coastal areas will be 10-20 times more likely; rain will decline by 50% leading to drought though wetter winters.
- A world economy based on fossil fuel may be severely damaged leading to unemployment and possible collapse.
- Soon, everywhere, there may be mounting fuel, energy, water and food shortages and rising prices.
- Mounting social conflict, violence, war and terrorism.
- Rising refugees fleeing from countries where people are desperate, starving and sick.
- Diseases are likely to spread from other continents.

References and further reading.

Goodall, C, 2007, *How to live a low-carbon life*, Earthscan.

Montbiot, G, 2006, *Heat, how to stop the planet burning*, Allen Lane.

Useful sources of help

- **Getting your house in order**
http://www.imc.co.uk/news/professional_consultancy_article.php?item_id=654&issue=18 (scroll down to the bit on 'getting your house in order').
- **Envirowise** - waste and water - <http://www.envirowise.gov.uk/>
- **The Carbon Trust** - energy and carbon - www.carbontrust.co.uk
- **ACORN** - <http://www.iema.net/acorn> (first steps to an environmental management system)
- **Good Corporation** - wider than just environment, an audit-type assessment - <http://www.goodcorporation.com/>

Bruce Nixon is a veteran change agent and author. His latest book "Living System – Making sense of sustainability", forewords by the late Anita Roddick and Meg Wheatley, is published by Management Books 2000. Special readers price of £13.50 per copy (postage and packaging free) instead of the usual £14-99 plus p&p from: tel 01285-771441/2; e-mail: mb2000@btconnect.com; web: www.mb2000.com or bookshops and www.amazon.co.uk For more resources, go to Writings at www.bruce-nixon.com

Published 31st October 2007 Network 2012 Newsletter number 16 For more information visit www.network2012.net **Published 31st October 2007 Network 2012 Newsletter number 16** For more information visit www.network2012.net **Readers Comment** *A very interesting, thought provoking and instructive article from Network 2012 member Bruce Nixon posted on his behalf. I recommend its reading! ...* **Martin**