



POLICY DEBATE

Response to Creating the future we want by Alan D. Hecht, Joseph Fiksel, Scott C. Fulton, Terry F. Yosie, Neil C. Hawkins, Heinz Leuenberger, Jay S. Golden, & Thomas E. Lovejoy

John Stutz

Tellus Institute, 11 Arlington Street, Boston, MA 02116 USA (email: jstutz@tellus.org)

“Creating the Future We Want” by Alan Hecht et al. presents a policy approach designed to address a range of social, economic, and environmental issues, grouped under the heading of sustainability. The approach is a version of “doing good by doing well” (Bonini & Mendonca, 2011). It emphasizes alignment of interests and actions between government and business. The opening paragraph conveys the article’s tone:

Over the next two decades, governments and businesses will face serious environmental and social changes that hold both risks and opportunities. We are optimistic that we have the capacity to meet these challenges and achieve a strong global economy while advancing social well-being and protecting human health and the environment.

Based on a wide-ranging discussion, *Creating the Future* reaches five conclusions. The article then ends with the following remarkable statement:

Hence, we firmly believe that global sustainability can be realized through effective collaborations, green business strategies, enlightened regulations and policies, and public support and understanding.

Note the choice of words. The authors of *Creating the Future* are not just hopeful or even reasonably certain. They “firmly believe” that one of the most difficult problems to ever face humanity—achieving global sustainability—will yield to a policy approach of their devising. Reading the article raises concerns about the degree of optimism expressed and the treatment of alternative approaches. The five conclusions provide a convenient framework for a discussion of these issues.

1. The world is not on a sustainable path. Our current oversized footprint, augmented by continuing economic and population growth, will result in in-

creasing pressures on energy, water, land, and food, which in turn stress both government and business.

The global footprint is used as an indicator of the current situation. The recently developed planetary boundaries (Rockström et al. 2009) better convey the uncertainty concerning the “safe operating limits for humanity” that exists at the level of basic science. For two of the nine boundaries—chemical pollution and atmospheric aerosol loading—a preliminary estimate of the safe operating level has yet to be established. The other seven are characterized by their developers as “rough, first estimates only, surrounded by large uncertainties and knowledge gaps.” Without any mention of the difficulties involved in setting a scientifically based boundary for chemical pollution the article cites a number of efforts including Responsible Care, an initiative by the chemical industry to address issues of health, safety, and environmental protection. *Creating the Future* would increase its credibility if the degree of basic scientific uncertainty that accompanies such efforts were at least clearly stated.

2. Global megatrends are driving science, innovation, and new business models that can help solve present and future problems, but existing innovative approaches and business models must be scaled up.

Successful scaling up is central to the approach put forward in *Creating the Future*. There are substantial challenges to such scaling. The effort to commercialize some apparently promising innovations can take decades. For example, commercialization of fuel cells had been underway for over 25 years back in 1995 (Appleby, 1995). It is still underway today. Other innovations, such as more efficient light bulbs, have achieved only a small fraction of their physical and economic potential (Mills, 2002). After decades of experience, mounting programs to foster the adoption of cost-effective innovations remains a challenge (Coward & Hamilton, 2009). Given the importance of scaling up for the approach pro-

posed in *Creating the Future*, some discussion of its challenges and limitations would be appropriate.

3. Several emerging frameworks—good governance based on the rule of law, green economy, shared value, and stewardship—present opportunities for accelerated progress in sustainability. These frameworks must be better understood, integrated, and disseminated globally.

The emerging frameworks cited address primarily the supply side of the economy. *Creating the Future* gives very limited consideration to the role of consumers, individually or as a group. Beyond developing “awareness” consumers play no role in the development of a green economy. Consumers do play a role in stewardship, but only by providing “concerted public pressure.” Throughout the discussion, they are always supporting actors. This is made very clear in the heading chosen for the third section, “Developing a Vision for the Future: Building a Better Boat for Business and Government.” In fact, thoroughly addressing consumers—and the demand side of the production-consumption system more generally—is essential to the understanding, integration, and dissemination of the article’s three frameworks. This is made clear in work leading to a Nobel Prize in Economics (Kahneman, 2011), well-known efforts to apply behavioral economics to foster sustainability (Thaler & Sunstein, 2008), and a burgeoning journal literature addressing sustainable consumption (see, e.g., Thøgersen & Schrader, 2012). Discussions in the journal literature recognize that consumers need to be considered alongside business, government, and nongovernmental organizations (NGOs). To achieve its goals, *Creating the Future* will need to do the same.

4. The positive linkages among economic growth, social well-being, and environmental protection are not yet fully appreciated or understood. Further research and education are clearly needed.

One hopes that the authors of *Creating the Future* are interested in understanding all of the important linkages among the factors mentioned so that they can devise policies designed to strengthen those that are positive and mitigate those that are not. There is a large body of literature that addresses negative linkages between economic growth and the other two factors. The negative linkage with the environment has been discussed for some time (see, e.g., Mishan, 1993). It provides the impetus for the development of the approach described in *Creating the Future*. The negative linkage between economic growth and social well-being has also been a concern for decades

(see Leipert, 1986). Recently, the connection between economic growth and increased inequality leading to adverse social impacts has attracted particular attention (Wilkinson & Pickett, 2009). There are serious questions about the malleability of these negative relationships. The authors of *Creating the Future* should reframe their fourth conclusion, making the need to understand the full range of linkages clear. They might also consider acknowledging that, even with much effort, substantial negative connections may remain.

5. New collaborations are needed among business, government, academia, and NGOs.

Collaborations might, in principle, involve representatives from any or all of the four groups listed. However, as *Creating the Future* makes clear through its choice of examples, what is really meant here is collaboration between businesses (or their trade associations) and some or all of the others. The article provides six bulleted examples. In all of them, business plays a major role. In all of them, attention is on product development or production, the issues of immediate concern to business. This narrow focus is not supported by historical experience. Consider the issue of health in developing nations that *Creating the Future* highlights. A collection of twelve national-level case studies of past “success stories” shows the importance of collaboration between government agencies and by them with NGOs, but not with business (Riley, 2003). In sum, the article’s fifth conclusion is correct, but the discussion that accompanies it is inappropriately narrow.

* * *

When reading *Creating the Future*, it is important to be aware that there is a fundamental divide between those actively in pursuit of a sustainable future. One group, including the authors of *Creating the Future*, stresses economic growth as part of a transition to sustainability. The other group argues that limitations on such growth, particularly for the current high-income nations, will be an essential part of a transition (Jackson, 2009). These two approaches each raise thorny issues. A central problem for the position taken in *Creating the Future* is the difficulty in achieving decoupling, that is having the economy grow while the associated impacts on the environment decline. Recent reports have discussed the feasibility in principle (von Weizsacker et al. 2009) and the remaining physical, economic, and political challenges (UNEP, 2011). Decoupling is difficult, in part because the feedback between improvements in resource efficiency and growth in the economy is still

poorly understood (Herring & Sorrell, 2009). The alternative position raises concerns about the feasibility and desirability of limiting economic growth in high-income nations. These issues have been addressed in some detail (see, e.g., Victor, 2008), but are not fully resolved.

The magnitude of the threat that changes in the environment pose for humanity is well known to the scientific community. The opening lines in a recent book by James Hansen (2009) convey the sense of urgency quite clearly: “Planet Earth, creation, the world in which civilization developed, the world with climate patterns that we know and stable shorelines, is in imminent peril.” If progress is to be made, it is essential that conversation among those seeking a sustainable future continue. If materials that reflect one position are to receive serious consideration by the supporters of the other, the materials must, at a minimum, demonstrate a recognition that the other position exists and that it brings important points to the table. Unfortunately, *Creating the Future* does not meet this requirement. A balanced treatment of other perspectives would make the article more credible as an exposition of its position and more useful as a basis for discussion.

References

- Appleby, A. 1995. Issues in fuel cell commercialization. *Journal of Power Sources* 58(2):153–176.
- Bonini, S. & Mendonca, L. 2011. Doing good by doing well: shaping a sustainable future. *McKinsey on Society*. Winter:44–51.
- Cowart, R. & Hamilton, B. 2009. *Delivering Energy Efficiency on a Large Scale: Challenges and Lessons Learned*. The Regulatory Assistance Project. November 4.
- Hansen, J. 2009. *Storms of My Grandchildren: The Truth about the Coming Climate Catastrophe and Our Last Chance to Save Humanity*. New York: Bloomsbury.
- Herring, H. & S. Sorrell (Eds.). 2009. *Energy Efficiency and Sustainable Consumption: The Rebound Effect*. New York: Palgrave Macmillan.
- Jackson, T. 2009. *Prosperity without Growth: Economics for a Finite Planet*. London: Earthscan.
- Kahneman, D. 2011. *Thinking, Fast and Slow*. New York: Farrar, Straus, and Giroux.
- Leipert, C. 1986. Social costs of economic growth. *Journal of Economic Issues* 20(1):109–131.
- Mills, E. 2002. Global lighting energy savings potential. *Light & Engineering* 10(4):5–10.
- Mishan, E. 1993. *The Costs of Economic Growth, Rev. Ed.* Westport, CT: Praeger.
- Riley, J. 2003. *Low Income, Social Growth, and Good Health: A History of Twelve Countries*. Berkeley: University of California Press.
- Rockström, J., Steffen, W., Noone, K., Persson, Å., Chapin, F., Lambin, E., Lenton, T., Scheffer, M., Folke, C., Schellnhuber, H., Nykvist, B., De Wit, C., Hughes, T., van der Leeuw, S., Rodhe, H., Sörlin, S., Snyder, P., Costanza, R., Svedin, U., Falkenmark, M., Karlberg, L., Corell, R., Fabry, V., Hansen, J., Walker, B., Liverman, D., Richardson, K., Crutzen, P., & Foley, J. 2009. Planetary boundaries: exploring the safe operating space for humanity. *Ecology and Society* 14(2):32.
- Thaler, R. & Sunstein, C. 2008. *Nudge: Improving Decisions about Health, Wealth, and Happiness*. New Haven: Yale University Press.
- Thøgersen, J. & Schrader, U. 2012. *From Knowledge to Action: New Paths Towards Sustainable Consumption*. Berlin: Springer.
- United Nations Environment Program (UNEP). 2011. *Decoupling Natural Resource Use and Environmental Impacts from Economic Growth: A Report of the Working Group on Decoupling to the International Resource Panel*. New York: UNEP.
- Victor, P. 2008. *Managing without Growth: Slower by Design, Not Disaster*. Northampton, MA: Edward Elgar.
- von Weizsäcker, E., Hargroves, C., Smith, M., Desha, C., & Stasinopoulos, P. 2009. *Factor Five: Transforming the Global Economy Through 80% Improvements in Resource Productivity*. New York: Routledge.
- Wilkinson, R. & Pickett, K. 2009. *The Spirit Level: Why Greater Equality Makes Societies Stronger*. New York: Bloomsbury.