

“Building a Sustainable World”
Remarks
Independent Sector Annual Conference
October 22, 2010 - Atlanta Georgia

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I. Introduction

I am honored to have been asked to offer some remarks at this final plenary session of the Independent Sector Conference.

I want to thank the Home Depot Foundation for sponsoring this session and I'd like to share a quick story with all of you. In the late 1990s, as Home Depot was becoming the leading home improvement retailer, it was also becoming the largest US retailer of wood products accounting for 10% of all wood sold in the country. Environmental activists, concerned about global deforestation, took notice. In those days the RBF was a leading funder of efforts to promote sustainable forestry management and a number of our grantees began to both encourage and pressure Home Depot to stop buying wood from endangered forests. Home Depot listened and soon became the industry leader in switching to entirely sustainable wood products. This forced much of the competition to follow suit. And I want to take this opportunity to congratulate Home Depot for its exceptional leadership.

Our topic this morning – building a sustainable world – is the defining challenge of our time. It is a deeply complex issue and in the next few minutes I will only have time to briefly outline

some ideas that I suspect and hope will provoke a lively discussion with the distinguished panel that will join me on stage.

II. Turbulent Times

I start with the obvious: we are living in profoundly turbulent times. From the persistent threat of terrorism, to protracted military conflict, the global financial crisis, growing economic disparities, and the dangers of climate change – the first decade of the 21st century has been marked by constant disequilibrium.

But as Peter Drucker once said, “the greatest danger in times of turbulence is not the turbulence. It is to act with *yesterday’s logic*.” I would argue that yesterday’s logic is largely responsible for the turbulence of our times.

Yesterday’s logic assumes that the market is the primary force for progress. It is an economic model that I call “*consumption development*” – the pursuit of economic growth through the largely unrestrained exploitation of limited natural resources with inadequate regard for social and environmental impacts. The consequences of this model are now clear: we are depleting essential life-sustaining resources like water, compromising our air and arable land, warming our planet to dangerous levels, and exacerbating disparities between the rich and the poor.

Yesterday's logic holds that government is a necessary evil – that it should be, in the words of Grover Norquist, “reduced to a size where it can be dragged into the bathroom and drowned in the bathtub.” This logic deprives government of the authority and resources necessary to manage the economy, protect the vulnerable, or build the social and economic infrastructure for future prosperity. It upsets the essential balance between individual liberty and the common good.

In yesterday's logic, civil society – the nonprofit sector – is treated as largely discretionary, as a useful but non-*essential* adjunct to the private and public sectors.

The logic of the past also places national sovereignty ahead of global stewardship despite the trans-national nature of many of the problems we must solve. We saw this at the Copenhagen climate negotiations last December where the competition between national interest and global necessity derailed efforts to achieve a new compact to prevent irreversible damage to our planet.

Unfortunately, yesterday's logic remains the prevailing logic of today. And if we are going to overcome the profound global challenges we face and build sustainable communities for tomorrow we must discard this outmoded logic and create the logic of the future. We must jettison the anachronistic assumptions of the past, break down obsolete organizational structures, and create a new global system that accurately reflects current realities while anticipating future needs.

III. The Logic of the Future

So what is the logic that will guide us through these turbulent times? I think there are three interrelated core concepts that are central to the logic of the future. They are:

- Global interdependence;
- Sustainable development; and
- Revitalized democracy.

Global Interdependence is the fundamental reality of our age. Six and a half billion human beings inhabit Earth along with some 1.8 million other known species¹, sharing one planetary ecosystem, one climate, and, increasingly, one polity. Given revolutionary advances in fiber optics, satellite communications, and social media some analysts are now using the term “hyper-connectivity” to describe the extraordinary breadth and depth of social relations in the 21st century.

Whatever the term, the reality of the future is that people all across the world will directly experience the economic, environmental, political, and security challenges that lie ahead. Climate change, currency wars, pandemic disease, and terrorism are simply not confined by national borders.

¹ www.eol.org

Edward Lorenz's "butterfly effect" is no longer just a useful metaphor for chaos theory. It is happening before our eyes. Greenhouse gasses emitted in China contribute to the rise in temperatures in the Rocky Mountains, permitting the pine beetle to thrive. Pine beetles are attacking the lodgepole pines of Colorado with such efficiency that most of these beautiful trees will have been destroyed in five years time.

How people experience these global problems will differ, based on where they live, how they are governed, and the resources available to them.

The concept of ***Sustainable Development*** must guide the invention of a new economic model that promotes greater economic inclusion and equity, reduces poverty, and saves our planet.

In 1993, the United Nations convened the World Commission on Environment and Development. In its final report the Commission offered a clear definition of sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." Sustainable development is an approach to global stewardship that is ecologically based, economically sound, socially just, culturally appropriate, and consistent with intergenerational equity.

The Commission's recommendations continue to guide policy debate at local, national and international levels, but the goal of genuinely sustainable development remains far too distant.

Consider this: According to the Global Footprint Network, we would need five planet Earths to provide the entire global population the same standard of living now enjoyed by the average American.²

The reality of global interdependence and the necessity of sustainable development require *revitalized democracy*. You know, the 20th century produced a democracy paradox: with the fall of the communist regimes in Eastern Europe and demise of the Soviet Union, more citizens are now living in democratic states than ever before in human history. But at the same time, the *quality* of democracy in many places is in sharp decline.

As the speakers in the opening session of this conference made eloquently clear, this is particularly true of our own democracy. Throughout our history, the American Dream has energized the aspirations and propelled the social mobility of millions of Americans. But for many today it seems less like a dream and more like a fantasy.

For most of our history, we have looked to government to insure fairness, promote economic opportunity, and provide basic economic security. But over the last four decades, politicians of both parties have convinced us that “government is *not* the solution to our problem, government *is* the problem,” as Ronald Reagan asserted in his first inaugural address.

² www.footprintnetwork.org

Government has been denigrated and its capacity has been systematically dismantled so that even when we desperately need it to function well, it proves profoundly inadequate. Just consider the response to Hurricane Katrina. And while citizen participation and trust in government have declined, the influence of special interests has grown demonstrably.

Internationally, *political* globalization hasn't kept pace with *economic* globalization. The institutions and processes of global problem solving are under-developed and insufficiently democratic – in terms of inclusivity, equity, transparency, and accountability.

I am convinced that the urgent tasks before us – effectively managing global interdependence, creating a new model of genuinely sustainable development, and revitalizing democracy – can only be accomplished through significant innovation in the private, public, and nonprofit sectors and much *broad*er and *deeper* cooperation *among* the sectors.

a. The Private Sector

The private sector is highly effective at producing an astounding variety of goods and services and generating substantial private wealth. It is a great source of innovation and economic opportunity. Yet despite the prevailing assumption that the market is the primary force for progress, the sector's record in creating social equity and assuring environmental sustainability is woefully inadequate – to say the least.

This is no surprise. After all, the dominant economic theory, developed over several centuries, argues that the central purpose of business is to maximize profits with little regard for the social or environmental costs. But the crash of 2008, the global financial sector meltdown, and the Great Recession have proven that this model is deeply flawed.

It is hard to imagine either democracy or capitalism functioning at peak performance without the other. Certainly in our own history, the blend of capitalism and democracy has been a key to our great strength. But now the *balance* between democracy and capitalism has foundered – and today’s mix of hyper capitalism and impaired democracy is undermining the common good – in the US – and elsewhere across the globe.

So, the question before us now is, how do we harness the power of global capitalism to achieve the larger, long-term, societal objectives of sustainability and equity? I think the answer lies in redesigning the framework within which the private sector operates. And for this to happen we need enlightened public policy and effective regulation – which leads me to the role of the public sector.

b. The Public Sector

Governments are responsible for providing *public* goods – like education, infrastructure, public safety, and national security.

Our systems of *global governance* are intended to maintain the stability of the international financial system, promote free trade, provide for collective security, and manage other transnational issues.

But across the globe the public sector seems crippled – constrained by divisive politics, inefficient bureaucracy, and certainly in the US, a bad reputation. People have been conditioned to reject the kind of aggressive government action that is required today. But let me be blunt: without *effective government intervention* and democratic global governance, we will surely fail to solve the problems we face.

Democratic processes and institutions must be revitalized – in the US, in other countries, and globally. We need to nurture a vibrant *culture* of democracy that produces governance that is transparent, efficient, and above all, *fair*. I believe this is the key to reviving the shared values, and instinctive embrace of mutual responsibility that are the building blocks of sustainable communities and a sustainable world.

But we also know that without broad-based public support governments simply won't take the bold steps that are necessary to meet the profound challenges that lie ahead. This brings me to the role of our sector – the nonprofit sector or civil society.

c. The Third Sector

Notions of civil society have existed since the enlightenment but they didn't gain widespread acceptance until the 19th and 20th centuries. Even today I believe that our sector is poorly understood and undervalued. But I would argue that one of the great lessons of the 20th century is that civil society is essential to the vitality of democracy, especially in capitalist societies.

The private sector, as I have said, efficiently produces marketable goods and services and generates *private* wealth. The public sector provides *public* goods like roads, schools, environmental protection, and security. But the nonprofit sector promotes the *common good*.

Unlike *profit-driven* businesses, non-profit organizations are values-driven. And because they operate with a high degree of independence, nongovernmental organizations are not subject to the political realities that constrain *government* action.

Our sector is able to take on challenges that the other two sectors simply can't or won't. Civil society organizations are able to take risks that are *economically* unacceptable to business and *politically* unacceptable to government. In addition, I believe the third sector acts as a kind of fulcrum that creates a healthier balance between the counterweights of the much larger, public and private sectors.

And given that there are distinct limitations to what government and business can achieve, when we look at the future we must understand that the third sector is not a luxury—it's a necessity. It

is the space where much-needed innovation occurs on a host of social, scientific, and environmental issues. Civil society organizations are agents of public education, advocacy, and citizen mobilization. They also serve as watchdogs, pressing for public and private sector accountability.

III. Global Interdependence and Tri-Sector Collaboration – The Logic of the Future

If we are to solve the complex global challenges of this century we must fundamentally transform all three sectors and devise new forms of tri-sector collaboration. Little will be achieved if the private, public, and nonprofit sectors continue to operate in the individualistic and often adversarial way they tend to do now. The three sectors must find new ways to work together; to reinforce each other's strengths, and compensate for each other's weaknesses.

For this we need dynamic leaders in all three sectors who profoundly alter the status quo – leaders who reach across the sectors and across national borders to develop innovative solutions. The writer Mark Gerzon calls these “trans-boundary leaders.” Politicians, scientists, engineers, business leaders, economists, educators, environmentalists, advocates, and consumers – we all must work together to create a genuinely sustainable world.

Fortunately, there are numerous early examples we can draw on for inspiration and learning. Let me cite just three.

First is the Tsimane Mosetene Regional Council, or CRTM, of Bolivia. The Council has developed a plan to conserve the wildlife and habitats of the “Pilon Lajas” Biosphere Reserve while simultaneously addressing the needs of indigenous communities. Working with local partners, the CRTM has helped to create:

- a sustainable forestry management plan;
- organizations to support coffee, cocoa and honey producers;
- water basins to supply water to more than 8,000 people ; and
- the construction of schools in over a dozen communities.

The Council has protected the property rights of local people across an area covering some 1,500 square miles while organizing to prevent illegal logging and other unsustainable activities.

Closer to home, the city of Portland, Oregon announced a partnership this summer with General Electric. They plan to retrofit buildings with energy-efficient technology while also developing a variety of projects designed to manage energy and water usage and waste treatment in what will be the city’s new EcoDistrict.

One of the projects, the Oregon Sustainability Center, could become the world’s greenest office building. It will house businesses focused on economic, social and environmental sustainability – the so-called triple bottom line. And it will be designed to meet the Living Building Challenge. This rating system factors in not only building materials, energy and water efficiency,

and construction waste management, but access to public transit and “what it means to be a citizen of a planet where resources and opportunities are provided fairly and equitably.”³

Finally, just last month, a collaboration between the U.S. government, the United Nations Foundation and the private sector – notably the Shell oil company and Morgan Stanley – led to a 50 million dollar commitment to explore the development and distribution of cleaner burning cook stoves in the developing world. By some estimates the soot from inefficient stoves is the second largest source of global warming pollution. In addition, because these stoves are often used inside homes, they are also responsible for nearly 2 million deaths a year from respiratory illness. The goal is to have 100,000 cleaner stoves in use by 2020. This initiative is a great example of tri-sector collaboration for sustainability.

IV. Conclusion

During the 1990s, I had the privilege to work closely with Vaclav Havel, the dissident Czech playwright who led his country to freedom in the “Velvet Revolution.”

In a 1998 essay, Havel wrote “it’s fascinating to me how preoccupied people are today with catastrophic prognoses, how books containing evidence of impending crises become bestsellers, but how very little account we take of these threats in our everyday activities.” “What could change the direction of today’s civilization?”⁴ Havel asked.

³ International Living Building Institute.

⁴ “Spirit of the Earth”, *Resurgence*, November-December 1998, 30.

Well, – I believe we will change our prospects when we achieve a new consciousness of our place on this planet, our relationship to nature, and our responsibility to our fellow human beings.

Change seems like a daunting task, but we *can* create a plan for our planet that will reduce poverty, relieve international tension, and create sustainable prosperity. It's hard to imagine getting there, but if we think about it in a historical context, we see that we've experienced comparable transitions in the not-so-distant past.

The civil rights movement in the United States; the anti-Apartheid movement in South Africa; the anti-communist revolutions in Eastern Europe – in all of these cases, profound societal and political change occurred because societies moved to a new way of thinking.

While these movements were not about sustainability *per se*, they were moments of collective demand for greater equality and democracy that acquired currency and urgency that became impossible to ignore. The question today is how to give sustainable prosperity the same urgency.

How do we elevate this issue in the public's consciousness in such a way that people change their behavior, become advocates for change, and commit to fighting for it? How do we draw the

attention of the private, public and non-profit sectors to sustainability in such a way that the cost of NOT addressing it feels plainly worse than the gains of embracing change?

As with so many things, this a tipping point issue. The challenge is how to accelerate the point at which rational self-interest – the hallmark of capitalism – tells us that sustainability is the only way for the planet to survive.

I like to remind myself that one of America's original gifts to the world was its compelling way of revolutionizing government, business, and civil society in the compact that produced our country. Old World thinking gave way to a new hope in a new place that surprised everyone, not just once but many times over the years. Today, we need that ability to think anew more than ever – not to create a new country but to galvanize our capacity to resolve humanity's biggest challenges.

We need a new global compact in which the three sectors look outward with the understanding that the health and well-being of any given society is inextricably linked to the health and welfare of all societies and to the vitality of Earth's ecosystem.

Where once it was enough to dream narrowly of giving our children more opportunity in this world, today we have an opportunity to give all the world's children a real chance to dream.

In that context we can succeed in our goal of a sustainable world only if we use all of our ingenuity, all of our persuasion, all of our stubborn determination, and yes, all of our decency, to wage war against the poverty that pits humankind against nature in a losing battle for our future.

Thank you.