

BOB DOPPELT: Achieving sustainability the key to businesses' survival

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It took 20 years, but the term “sustainability” finally has entered the mainstream.

The city of Eugene and state of Oregon have sustainability commissions. Many businesses, from retail giants such as Wal-Mart to small local firms, now tout their sustainability credentials.

Even the Dow Jones has a sustainability index.

Despite its popularity, some people find the concept of sustainability confusing. Others even contest it. Why would this be? Before answering, let me clarify the phrase.

The term “sustainable development” was coined in 1987 by the United Nations’ World Commission on Environment and Development, often called the Brundtland Commission. It was defined as “development that meets the needs of the present generation without compromising the ability of future generations to meet their own needs.”

Notice that the definition emphasizes development, not the natural environment. That’s because all human endeavors ultimately depend on the Earth’s physical processes and structures. The commission was concerned that environmental deterioration would constrain future economic and social development. Although its vision was lofty, the Brundtland Commission provided little detail on how sustainable development — or sustainability — could be achieved. An explosion of efforts followed to clarify the means.

One of the best is The Natural Step. Founded by an oncologist from Sweden, it uses well-established laws of physics to describe the conditions necessary for sustainability.

The Natural Step says that in a sustainable society, the rate at which both natural and human-made toxic substances, along with all forms of waste, are produced must be in balance with the rate at which the Earth can naturally break down and reassimilate the materials.

If humans put too much waste or toxins into the environment, or damage nature’s ability to break down and assimilate those substances, the biosphere will degrade along with future human economic and social opportunities.

That explains global warming. Humanity is emitting more greenhouse gasses into the atmosphere than it can absorb without trapping excess heat. Global warming already is affecting the environment, and thus human activities here and abroad, and it will undermine the prospects of all future generations. It is the ultimate issue of sustainability.

To achieve sustainability, according to The Natural Step, we must alter our development patterns. The use of natural toxic substances such as heavy metals and fossil fuels, and human-made toxic substances such as synthetic chemicals and dioxin, must be systematically reduced to levels at which nature can easily break down and reassimilate them without harm.

We must maintain and restore the ecological processes and structures that decompose and sequester toxic materials and waste, and that provide essential services such as the generation of clean air, water and healthy soils.

And, resources must be equitably distributed among and within societies, and people must be treated fairly, or in their struggle to survive they might take steps that degrade the natural environment everyone depends on for life.

This last condition underscores why the sustainability concept of the “triple bottom line” — sometimes called “people, profits, planet” — became popular. Social equity is essential if we want to sustain human options over time.

Some business executives resist engaging in these practices because they believe they hurt their bottom line. A growing stream of research contradicts this view. Case in point is the new study described in a Harvard Business Review article, “Why Sustainability Is Now the Key Driver of Innovation.”

Contrary to the belief that sustainability only increases costs without financial benefits, the authors said their research, which focused on 30 large corporations such as Hewlett-Packard and AT&T, found that sustainability “yields both bottom-line and top-line returns.”

Becoming sustainable, according to the authors, lowers costs by reducing the use of energy and raw materials. Most importantly, the process is “the mother lode of organizational and technological innovation,” which is the key to survival in these tough economic times. Increased revenue from better products, along with profits from new products and even whole new businesses, can result.

Although the Harvard researchers examined large corporations, sustainability measures can provide similar benefits for small and mid-size firms in Lane County.

That’s not to say that the transition to sustainability is easy, quick or always profitable. The Natural Step practitioners like to joke that it’s called the Natural Step, not Leap. A careful phase-in strategy is needed. The key is a willingness to rethink, and over time systematically redesign, every aspect of the organization, from the raw materials it uses to the sources and way it uses energy, its products, production, waste, transportation, supply chains, and eventually even the entire business model.

The need to reduce global warming and pursue sustainability already is transforming the business landscape. So the next time you find yourself believing the costs of sustainability are too high, remember the conclusion of the Harvard Business Review study:

“In the future, only companies that make sustainability a goal will achieve competitive advantage.”

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