Daniel C. Esty and Andrew S. Winston

The Green Revolution: It's Not Business As Usual

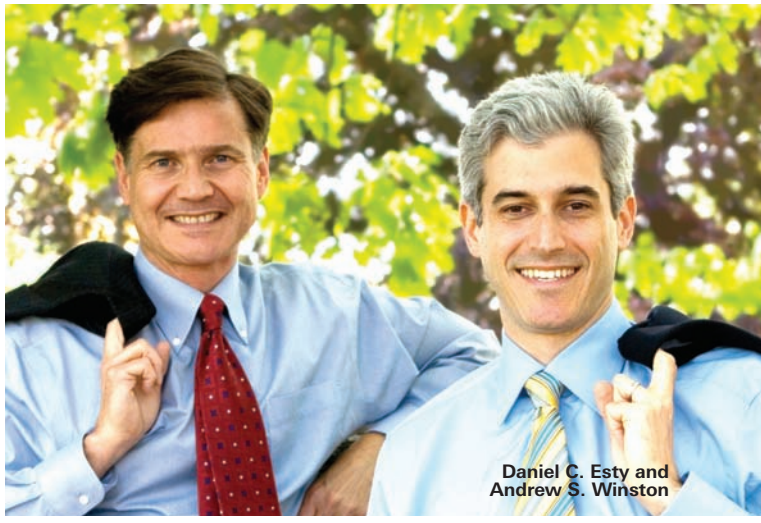
WASHINGTON, D.C.: GENERAL Electric CEO Jeff Immelt announces a new initiative, "ecomagination," committing the mega-manufacturer to double its investment in environmental products — everything from energy-saving lightbulbs to industrial-sized water purification systems and more efficient jet engines. Backed by a multi-million-dollar ad campaign, Immelt positions GE as the cure for many of the world's environmental ills.

Bentonville, Arkansas: In a speech to shareholders, Wal-Mart CEO Lee Scott lays out his definition of "Twenty First Century Leadership." At the core of his new manifesto are commitments to improve the company's environmental performance. Wal-Mart will cut energy use by 30 percent, aim to use 100 percent renewable energy (from sources like wind farms and solar panels), and double the fuel efficiency of its massive shipping fleet. In total, the company will invest $500 million annually in these energy programs. Moreover, in a move with potentially seismic ripples, Wal-Mart will "ask" suppliers to create more environmentally friendly products: some of the fish Wal-Mart sells will have to come from sustainable fisheries, and the clothing suppliers will use materials like organic cotton. "We believe that these initiatives will make us a more competitive and innovative company," Scott emphasizes.

"The 'gold' that smart companies mine from being green includes higher revenues, lower operational costs, and even lower lending rates from banks that see reduced risk in companies with carefully constructed environmental management programs. They also reap soft benefits, from a more innovative culture to enhanced 'intangible' value, credibility, and brand trust."

By either market cap or sales, GE and Wal-Mart are two of the biggest companies in human history. Neither company springs readily to mind when you say the word "green." But these are not isolated stories. Companies as diverse as Goldman Sachs and Tiffany have also announced environmental initiatives. As the *Washington Post* observed, GE's move was "the most dramatic example yet of a green revolution that is quietly transforming global business."

What's going on? Why are the world's biggest, toughest, most profit-seeking companies talking about the environment now? Simply put, because they have to. The forces coming to bear on companies are real and growing. Almost without exception, industry groups are facing an unavoidable new array of environmentally driven issues. Like any revolution, this new "Green Wave" presents an unprecedented challenge to business as usual.



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Behind the Green Wave lie two interlocking sources of pressure. First, the limits of the natural world could constrain business operations, realign markets, and perhaps even threaten the planet's well being. Second, companies face a growing spectrum of stakeholders who are concerned about the environment.

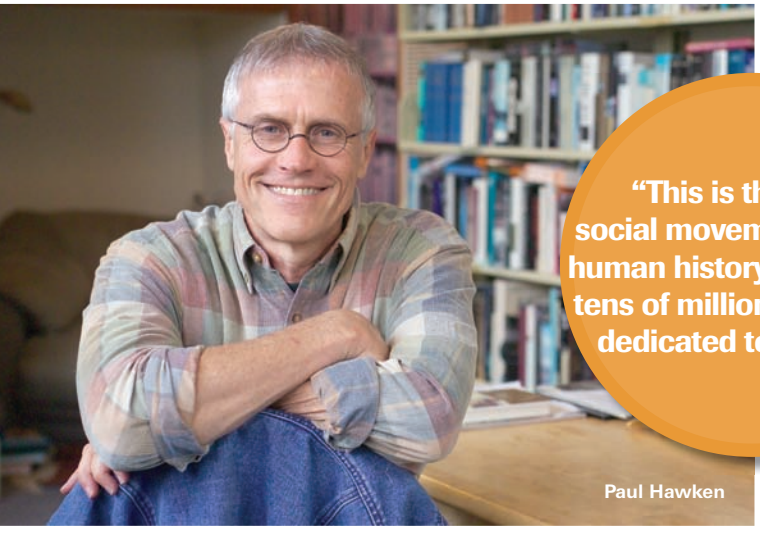
Global warming, water scarcity, extinction of species (or loss of "biodiversity"), growing signs of toxic chemicals in humans and animals — these issues and many others increasingly affect how companies and society function. Those who best meet and find solutions to these challenges will lead the competitive pack.

The science, we stress, is not black and white on all these issues. Some problems, like ozone layer depletion or water shortages, are fairly straightforward. The trends are plainly visible. On other issues — climate change most notably — uncertainties persist, but the evidence is clear enough and the scientific consensus strong enough to warrant action.

A broad-based set of players now insists on attention to these issues ... NGOs, customers, and employees increasingly ask pointed questions and call for action on a spectrum of issues. To give just one example, HP says that in 2004, $6 billion of new business depended in part on answers to customer questions about the company's environmental and social performance — up 660 percent from 2002. These demands reshape markets, create new business risks, and generate opportunities for those prepared to respond.

Restoring Grace, Justice and Beauty to Our World

OVER THE PAST FIFTEEN years I have given nearly one thousand talks about the environment, and every time I have done so I have felt like a tightrope performer struggling to maintain perfect balance. To be sure, people are curious to know what is happening to their world, but no speaker wants to leave an auditorium depressed, however dark and frightening a tomorrow is predicted by the science that studies the rate of environmental loss. To be sanguine about the future, however, requires a plausible basis for constructive action; you cannot describe possibilities for that future unless the present problem is accurately defined. Bridging the chasm between the two was always a challenge, but audiences kindly ignored my intellectual vertigo and over time provided a rare perspective instead.



After every speech a smaller crowd would gather to talk, ask questions, and exchange business cards. These people were typically working on the most salient issues of our day: climate change, poverty, deforestation, peace, water, hunger, conservation, human rights … They were students, grandmothers, teenagers, tribe members, businesspeople, architects, teachers, retired professors, and worried mothers and fathers …

My new friends would thrust articles and books into my hands, tuck small gifts into my knapsack, or pass along proposals for green companies. A Native American taught me that the division between ecology and human rights was an artificial one, that the environmental and social justice movements addressed two sides of a single larger dilemma. The way we harm the earth affects all people, and how we treat one another is reflected in how we treat the earth.

As my talks began to mirror my deeper understanding, the hands offering business cards grew more diverse … Over the course of years the number of cards mounted into the thousands, and whenever I glanced at them, I came back to one question: Did anyone truly appreciate how many groups and organizations were engaged in progressive causes? At first this was a matter of curiosity on my part, but it slowly grew into a hunch that something larger was afoot, a significant social movement that was eluding the radar of mainstream culture.

So, curious, I began to count. I looked at government records for different countries and, using various methods to approximate the number of environmental and social justice groups from tax census data, I initially estimated a total of 30,000 environmental organizations around the globe; when I added social justice and indigenous peoples' rights organizations, the number exceeded 100,000. I then researched to see if there had ever been any equal to this movement in scale or scope, but I couldn't find anything, past or present.

The more I probed, the more I unearthed, and the numbers continued to climb … I soon realized that my initial estimate of 100,000 organizations was off by at least a factor of ten, and I now believe there are over one — and maybe even two — million organizations working toward ecological sustainability and social justice.

After spending years researching this phenomenon, including creating with my colleagues a global database of its constituent organizations, I have come to these conclusions: this is the largest social movement in all of human history. No one knows its scope, and how it functions is more mysterious than what meets the eye. What does meet the eye is compelling: coherent, organic, self-organized congregations involving tens of millions of people dedicated to change.

When asked at colleges if I am pessimistic or optimistic about the future, my answer is always the same: If you look at the science that describes what is happening on earth today and aren't pessimistic, you don't have the correct data. If you meet the people in this unnamed movement and aren't optimistic, you haven't got a heart. What I see are ordinary and some not-so-ordinary individuals willing to confront despair, power, and incalculable odds in an attempt to restore some semblance of grace, justice and beauty to this world …

Healing the wounds of the earth and its people does not require saintliness or a political party, only gumption and persistence. It is not a liberal or conservative activity; it is a sacred act.

Paul Hawken is an environmentalist, entrepreneur and author.

"The 11th Hour": A Time for Change

Leila Conners Petersen co-wrote, co-produced and co-directed "The 11th Hour", a film narrated by Leonardo DiCaprio that explores how people impact the earth's ecosystems and what they can do to change course. This interview originally appeared in the World Tribune, the weekly newspaper of the SGI-USA, a lay Buddhist association dedicated to peace, culture and education (www.sgi-usa.org). The interview was conducted by David Beber, a WT staff writer.


Leila Conners Petersen

World Tribune: What inspired you to produce The 11th Hour?
Leila Conners Petersen: Leonardo DiCaprio and I had created two short films. One was about climate change and the other about fresh water. We put them on his Web site because millions of people go there every month. We wanted to use the films as a way to educate people about the issues he cares about.

WT: What was the response?
LCP: The response was very positive — millions saw the films on the Web. Oprah Winfrey played them on her show. To this day, they are shown at film festivals. We felt there was a need for this kind of story. We decided to talk about climate change, but not in the way that everyone was talking about it. We knew Al Gore was doing ["An Inconvenient Truth"] with Davis Guggenheim. Our questions were very different.

WT: What were your questions?
LCP: If the Earth is our only home, why are we treating it the way we do? That was the question. Why are humans on a collision course with the planet?

We were more interested in climate change and pollution as symptoms of a deeper issue — the challenge of how do you come to a higher self, and how do you come to a higher purpose and a higher regard for your home.

WT: So what's the message of The 11th Hour?
LCP: Every life-support system on the planet is in decline. The message is, without a shadow of a doubt, that the life-support systems of this planet are unraveling, which means we won't be able to live here if we remain on this course.

So how do we fix that? What's really interesting is that we live in a time when we actually know what to do. It's somewhat tragic in that it's like we have a patient who's dying in the hospital, and we know how to treat the patient, but we're not giving him or her the medicine. That's what's happening with the planet right now. We know what to do; we know exactly what to do, but we're not doing it.

WT: How do we change course?
LCP: The human heart has to get in alignment with this conversation and start acting. We can't be passive anymore. We have to be active.

We're living in a time of shrinking options if we don't change. We have expanding options if we do change.

That's what's so exciting. The thing about the film is that it gets very hopeful. There is a great remark from Paul Hawken (please see article on the facing page): "What a great time to be born. What a great time to be alive, because this generation, essentially, gets to completely change this world." It's one of the film's call to arms.

WT: Was there a consistent message among the experts who spoke in the film?
LCP: The overriding message from everyone was urgency and extinction. What I mean by extinction is a drive toward extinction, which means a loss of human life. That was why we called it "The 11th Hour." We weren't trying to be dramatic just to be dramatic. This is what people were saying.

The question then becomes, how quickly can people react, adapt, change and implement the things that we do know how to do so that we're in a better place?

WT: How did you become an environmental activist?
LCP: My background is in international politics. Basically, I learned that the forces for uniting people together are care for the things we hold common: the common ocean, the common atmosphere and the common welfare of life.

For me, it became very interesting to see how the environmental question infiltrated governance around the world. Governance is world peace essentially. How do you govern yourself? How do you conduct yourself as a nation, as a people? What are the forces that help you get along with other people?

One of the things that will force us to cooperate is the environment. We have to. It's something that will bring us to the table, maybe kicking and screaming, but we will be at the table because we have to be.

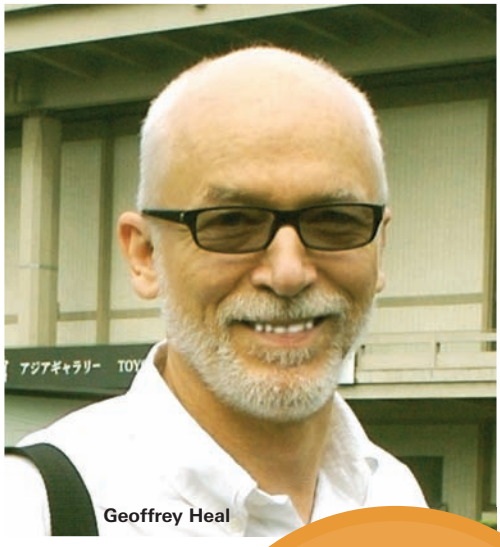
WT: Any parting thoughts?
LCP: The time is now to make a change.

Nature-Based Tourism: Doing Well by Doing Good

Sustainable models that involve local people have myriad positive impacts

TOURISM, ONE OF THE world's largest and fastest-growing industries, can be a powerful force for good. Nature-based tourism improves the lives of some of the very poor and conserves endangered animals and habitats. And, it can be very profitable.

Countries like Botswana, Namibia, Zimbabwe (until its political meltdown) and South Africa have animals and landscapes that attract visitors from all over the world. These attractions are mostly in remote and underdeveloped regions: economic development tends to destroy the works of nature. Safari companies set up camps in these areas and bring visitors in for short stays, usually flying them in by small aircraft.


Geoffrey Heal

They charge a lot — $300 to $700 a night per person is the typical range, with some charging even more. A lot of this goes on the costs of transportation, both of the visitors and of the supplies and equipment needed to provide for them. But a significant amount is left for the local community, which generally supplies the labor and, in an increasing number of cases, grows foodstuffs for the camps.

This provides employment for people who previously lived via subsistence agriculture, which in Africa puts them among the poorest of the poor. In fact it's not just a matter of employment: it can give them access to medical treatment, education, and an opportunity to engage with the modern world on favorable terms. Otherwise their only chance of moving into the 21st century would be to migrate to a big city, and with no training and no familiarity with the modern world migrants easily fall victim to exploitative employers and end up in miserable living and working conditions.

I recall visiting a camp in the Skeleton Coast area of Namibia run by South African operator Wilderness Safaris. The region is populated by the Himba, a semi-nomadic herding tribe who live traditionally. No education, no medicines — not even antibiotics or painkillers — and not much food. The opening of the camp led to a number of them being trained for camp jobs. One of the most striking transformations was a young man who grew up in the nomadic lifestyle and was now servicing the camp's vehicles. Trained as a mechanic, he made a good living and had a skill that he could take anywhere in the country.

Here tourism was providing jobs and training, and, perhaps more importantly, anchoring the community and providing a route for ambitious members to move ahead economically without joining the migration to the cities that is the bane of so many poor countries.

At its best, nature tourism can provide employment and give local people access to medical treatment, education, and an opportunity to engage with the modern world on favorable terms.

The positive impacts go beyond this. Tourists don't go to these remote areas to help the locals: they go there to see rare and beautiful animals and landscapes. So these now have economic value. Lions, which might once have been shot or poisoned as a threat to cattle, are now protected as a draw for tourists — who are much more valuable than cattle! Elephant herds that destroy crops and buildings — a reality of life in southern Africa — are tolerated because they, too, bring tourists, and the tourist revenue greatly exceeds the cost of the damages. So the elephants pay for themselves.

The result is a fundamental change in the economic incentives in these remote areas: local people now have employment opportunities, and they regard the local animals not as enemies or destructive pests but as assets that draw in valuable tourists.

Matters don't always work out so well. Critical to the story I told above is that the local people are included in the economic enterprise and are not marginalized or left out. In most of the southern African countries this is the case, but that's not always true elsewhere. In other parts of Africa, tourist revenues are monopolized by the government and a few large travel chains; local involvement is marginal at best. There you see the traditional hostility between humans and animals, which in such a regime are still pests and not assets.

Geoffrey Heal, Paul Garrett Professor of Public Policy and Corporate Responsibility at Columbia Business School, is noted for contributions to economic theory and environmental economics. The author of 14 books, he is a member of the Scientific Advisory Board of the Environmental Protection Agency, and a Director of the Union of Concerned Scientists.


Neel Inamdar

It's Our Choice for Tourism, Let's Make It a Force for Good

YOU MIGHT SAY TOURISM is in my blood. My family owned and operated a 300-bed resort on the shores of the Indian Ocean in Kenya, and I grew up helping the guests learn about the area, and working with the staff to understand the guests. After completing my education I was fortunate to go back to run the operation, which we successfully grew and later sold.

Like many of you, I was all about the numbers. Room nights, REVPAR and occupancies. Until two things happened.

One of our guests, walking on the beach, was shot by an arrow after he tried to chase down some people who had stolen his camera. And, someone was illegally chopping down the forest next to one of our resorts.

Unless we could ensure our guests were safe, and that the forest would be around for next season, we would have a hard time staying in business. So I plunged into the conservation world, looking for ways to contribute to stronger park management and improve our relationships with our local neighbors.

What I have discovered was that, just like anything else in life, done inconsiderately tourism can be a force for destruction. Unfortunately, much tourism has been developed inconsiderately over the past 30 years — from bulldozing forests to destroying reefs, we have a lot to answer for.

But we can also all make tourism a force for good — for ourselves, our clients, and the host destinations (whether Mombasa or Cozumel!). Tourism can pay for the conservation and management of the natural resources our guests want, and it can provide employment to the host people.

What can we do as travel professionals?

Attention to detail: The greatest impact we can have in supporting sustainable tourism is in paying attention to details, encouraging innovation, and supporting local experiences. Many of us use these same tools to run our businesses; sustainable tourism is no different.

Simply asking suppliers what they are going to do and how they are planning to do it can both reduce our risk / liability and reduce our environmental impacts, ensuring we not only do no harm, but actually do good. By asking the right questions, and paying attention to who buys what from where, we can make the small decisions that make the difference between a reef being destroyed by anchors, or being protected through the use of mooring buoys which are paid for by visitors through entry fees.

Support innovation: Many of today's travelers want safe experiences, but they also want to "get out of the box." They love cruises, but also want to experience the destination via shore excursions. Unfortunately, many of these experiences are far from authentic — and your clients know it.

By asking travel suppliers for more unique and innovative experiences, and encouraging them to integrate these into their supply chain in a responsible manner, we are also ensuring that visitors have a chance to get off the beaten path, and increase the chances that we will build in opportunities to support conservation.

"The greatest impact we can have in supporting sustainable tourism is in paying attention to details, encouraging innovation, and supporting local experiences."

Support local experiences: By encouraging suppliers to work with local providers in destinations, we not only help ensure innovation, but we also help build communities and support conservation. The simple act of a supplier buying local bananas not only provides jobs — it could also keep people from hunting endangered wildlife.

What too often gets lost in the lofty goals and debate about sustainable tourism or ecotourism is what our guests want to see and enjoy.

Travel agents and tour operators have an important role in influencing our supply chains to provide more unique products and services, and in helping travelers understand the impacts of the choices they make.

By taking care of this today we can be assured it will be there tomorrow. Anything that lets us do this better now and for future generations should not be too much to ask — should it?

Neel Inamdar is Senior Advisor for Ecotourism with Conservation International. He is currently leading a CI program to integrate a strategic and holistic approach to tourism, hospitality and conservation in a number of key international destinations.