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The Roots of Sustainability

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Management literature today abounds with stories about the business case for sustainability. Eco-efficiency, or delivering more value for less environmental burden, has been touted as the primary instrument for achieving sus-

tainability. So has socially responsible investing — using the power of the financial market to punish the bad guys and reward those firms that are doing the “right” thing. Many companies now offer slick “sustainability reports” along with their annual reports as indicators of their performance. The problem is that none of this espoused benevolence creates true sustainability. At best, it only temporarily slows society’s continuing drift toward unsustainability; at worst, it serves as feel-good marketing for products and services that in fact degrade and pollute our environment and fail to meaningfully satisfy the needs of consumers.

The root of this problem is neither business’s misunderstanding of what’s at stake nor corporate cynicism about the sustainability cause (though these may be contributing factors). The problem really stems from management’s failure to see unsustainability as a deep-seated systems failure and to appreciate the extent to which radical thinking and action are required to embark upon a sustainable trajectory. Given this great blindness, one must ask a critical question: Can anything be done to radically transform the way that businesses work?

The idea of what is referred to as “sustainable development” arose in part when people became aware that we could no longer maintain our global drive toward continuing economic growth without exhausting our finite resources. (Many claim that we already have exceeded the capacity to support the current level of affluence.) And no

rational person, except perhaps the most technologically optimistic economist, would claim that projected global population levels can be sustained at anywhere near the levels of affluence found in the United States or other highly developed countries. To date, however, virtually all efforts to produce sustainable development have been little more than Band-Aids. Many, such as increases in automobile fuel efficiency, come in the form of technical quick fixes.

Shifting the Burden

Over time, the business community has gotten in the habit of ignoring the source of the problem, and now it risks gradually losing the ability to think deeply about it in order to produce the right kind of innovative solutions. The systems dynamics community calls this behavioral pattern “shifting the burden.” Popularized by Peter Senge and his colleagues, this archetypal model applies when people’s efforts to fix a problem deal only with its symptoms. In such scenarios, individuals or organizations can lose their critical faculties and cease any attempts to acquire more-effective skills. They become increasingly focused on treating symptoms and increasingly incapable of acting on their own to deal with root causes. Eventually, their ability to address those root causes is frittered away. If this vicious cycle goes on long enough, the habitual solution becomes a new problem or exacerbates an old one.

Business’s focus on sustainable development can be viewed in that same sense. The phrase “sustainable development” focuses on economic development as the operative concept. The simple word *sustainability*, however, implies no presumption of economic development. It implies that the roots of sustainability may be found outside the realms of economic development and may, in fact, preclude them. Yet most of what businesses are now doing in the name of sustainability is really focused on reducing the unsustainability of a

The real business case for sustainability requires more radical, fundamental and difficult change than most are ready to consider, but anything less ignores the real problem and may, in fact, contribute to it.

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flawed economic development system that is increasingly based upon an addiction to commodified, material consumption. Indeed, the term “sustainable development” has become an oxymoron: Economic development itself is undermining the very roots of sustainability. Instead of being an appropriate market mechanism for creating human satisfaction, consumption has become a central cause of unsustainability in both environmental and human terms.

To be a powerful force for redesigning the present, sustainability efforts cannot be simply one more set of tactics to be measured and managed. Unsustainability is a systemic failure and must be attacked on a far more fundamental level. Almost completely missing from today’s problem-solving activities is an expansive, ambitious vision of a sustainable world, let alone a clear notion of what sustainability is. I define sustainability as the *possibility* that all forms of life will flourish forever. For human beings, flourishing comprises not only survival and maintenance of the species but also a sense of dignity and authenticity. The loss of authenticity, which occurs when our inner sense of satisfaction and wholeness wanes, is perhaps a critical factor in the addiction to consumption and in the mood of resignation that follows the growth of technological modernity. (Social critics

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like Lewis Mumford have warned that technology can erode dignity as well as authenticity.)

On a systemic level, the causes of unsustainability spring from the deepest cultural structures that shape everyday activities throughout the modern world. Sustainability cannot be created until these structures are changed. The cultural structures of our modern world reflect the values and beliefs of the Enlightenment and of its social reality — modernity. We see the world as a machine and the human species as existing outside of the rest of the living and inanimate world. In theory, we can know everything by scientifically piecing together knowledge of all the parts. We view ourselves as autonomous, isolated individuals driven only by

(economic) self-interest. Business is focused only on efficiency; concerns over equity and justice are left to other social mechanisms.

If we reflect a bit, however, we realize that we are clearly part of an interconnected and interdependent system and that our beliefs about our autonomy are false. Modern psychology and sociology suggest that selfishness is not an inherent part of our human nature, which holds out hope that we can create more equitable and just cultures.

What Should Business Do?

What can and should business be doing about this? First, managers have to begin to recognize when they — as individuals and organizations — are indulging in shifting the burden, clinging to sustainable development as a goal while instituting and executing practices that merely make economic development somewhat less unsustainable. But how can a business shift into a true sustainability framework yet remain within the confines of the dominant competitive market model? By changing the rules of competition at both a micro and macro level, either by regulatory fiat or by voluntary collaborative action. Business always prefers the latter.

In some cases, collaboration followed by competition arguably has produced more-sustainable outcomes. Voluntary collaborative efforts by business, government, advocacy groups and intergovernmental groups have produced standards for natural resource utilization. One example is the London-based Marine Stewardship Council, an independent nonprofit organization that promotes responsible fishing practices, cofounded in 1997 by the World Wildlife Fund and Unilever Plc/Unilever NV, the world’s largest buyer of seafood. Unilever saw the opportunity to create a multistakeholder partnership that would harness consumer purchasing power to align the commercial self-interest of businesses with the protection of a key resource. Such voluntary collaborate-then-compete programs are rare and face challenges such as free-riding and enforceability. But for businesses that rely directly on natural resources, these kinds of programs nourish the possibility of sustainability.

Business also can collaboratively redefine its notions of what constitutes progress. Concepts

such as profit or gross domestic product are simply social and intellectual constructs, rules of the competitive game that can be changed. New definitions of profit that internalize social costs and lengthen the accounting period to reflect long-term damages would produce metrics to manage by that could satisfy the interests of sustainability as well as capital markets and shareholders. The same could be argued for a redefinition of GDP, the metric used by policy-makers and planners to manage the economy.

Managers must evaluate critically the core values and mission of their business in terms of both the unsustainability *and* the sustainability they create. Reducing unsustainability is not the same as creating sustainability. One is not simply the converse of the other. It is relatively easy to measure unsustainability with a number of metrics already developed. It is exceedingly more difficult to assess (I am careful not to use the term *measure* here) a business's contribution to sustainability.

For example, companies usually ask customers how well their expectations were met. As a gauge of sustainability, this is a narrow and misleading question. The much more difficult question is whether the company's goods and services create authentic satisfaction or simply deliver momentary relief in a narrow, commodified manner. This fundamental question cannot be answered with the conventional tools of market research; it must emerge from extended dialogue among all interested parties.

Although most CEOs would be disappointed and even dismayed by the dearth of authentic satisfaction their products and services provide, they should be buoyed by the potential market opportunity of providing what philosopher Albert Borgmann calls a "focal experience" — one that satisfies many existential dimensions at the same time. For example, consider those homeowners who decide not to connect to the power grid but instead design their own source of power based on solar or wind energy. To them, electricity is not merely a commodity made available by flipping a switch. They are involved in its design, production and operation. It is a far more organic and integrated experience than simply revealing one's preferences and opinions in a marketing survey. This is a means by which the values of the consumers can be integrated into the product or

service to produce what Jesse S. Tatum calls a "remarkable new harmony, as they see it, between technology and values."

Steering Ethical Behavior

Ultimately, sustainability requires responsible, ethical choices everywhere in daily life. To some extent, companies can help "steer" ethical behavior through the design of their products and services. For example, to conserve water, many toilets in the Netherlands are equipped with two flush buttons, one large and one small. The user must make a conscious and obvious choice every time. There is no compulsion, but there is an implicit sense of responsibility. Such behavior is possible to steer but not to mandate. When seatbelts were first introduced in the United States, for instance, the ignition was interlocked so that the car could not start until the belt was buckled. In the context of American culture, this approach was immediately attacked as encroaching on individual liberty and soon disappeared along with other similar mandates, such as requirements to wear motorcycle helmets.

In the final analysis, underlying cultural values will always trump technology and design in determining behavior. It is at that bedrock level that the foundation for sustainability must be built. The business community, which controls enormous economic and intellectual resources, has a real chance to lead in that endeavor. So far, unfortunately, it has largely chosen not to do so. Although many companies have tried and, to some extent, have succeeded in reducing unsustainability, few of any significant size have truly made the leap to creating real sustainability. A possible exception is BP Plc, whose CEO, Sir John Browne, seems to understand that sustainability is a radical notion and that radical action will be required to create it. By committing a corporation that used to be known as *British Petroleum* to a long-term vision that completely eschews dependence on fossil fuels, he has shown that such radical vision can appear even in the most conservative of businesses.

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