

undercurrents

challenging the mainstream | imagining what is possible

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downey youell associates

A CLIMATE OF DENIAL AS BUSINESS LOOKS THE OTHER WAY

This article was first published by the Sunday Business Post on 17th April 2005 under the title: 'Is Commerce in Conflict with Ecology?'

When the captains and lieutenants of industry assemble for the Irish Management Institute's annual gathering later this week, they might do well to reflect on an event, the implications of which tower over everything that bookmarks the first quarter of 2005, and ask themselves if the IMI conference is addressing the truly urgent issues that lie in wait for business.

It's not the tsunami that wiped out communities in ten countries, and parachuted into our tinselled living rooms the fragile reality of those who struggle on what we call "the margins of the global economy". And it's not the death of Pope John Paul II, whose global message included a sharp critique of communism and capitalism, and what he called "the moral void of consumerism".

Both of these events sparked unprecedented global media attention, and an unprecedented human response. But sandwiched in between, was the report of a landmark study of enormous consequence, which slipped into the world almost without comment. Its conclusions affect every human being, in every land, in every walk of life, and will fundamentally redefine 'success in business' in the 21st century, with profound implications for business-as-usual and the financial bottom line.

But it will not be on the IMI's formal agenda this week.

The Millennium Ecosystem Assessment, conducted by 1300 experts from 95 countries under the auspices of the United Nations, confirms that the ecological destruction of the last fifty years is greater than all of the damage caused by humans since our tenancy on Earth began. The destruction parallels a period of unprecedented global economic development, in which the growth in output of goods and services exceeds anything in history.

The report is nothing short of an appeal from nature that we wake up. And fast. Under human pressure, nearly two thirds of all the ecosystem services that support life on earth are being degraded or used unsustainably. And because of the complex connectedness of the web of life, this negative spiral is both worsening and accelerating.

The degradation of nature's free services like fresh water and fisheries, and its free regulation of air, water, regional climate and waste processing, is increasing the possibility of abrupt and catastrophic changes that will seriously affect human life, such as the emergence of new diseases, sudden changes in water quality, the emergence of "dead zones" along coasts, the collapse of fisheries and sudden shifts in regional climate.

As devastating as this report is, it merely confirms the stark message of other recent reports, similarly overlooked by business and its institutions. An Abrupt Climate Change Scenario co-authored by Peter Schwartz, former head of planning at Royal Dutch/Shell and Doug Randall of the Global Business Network, warned that over the next twenty

years (well within the professional life of the current generation of managers and leaders) abrupt climate change could result in a global catastrophe.

A four-year research project published in the prestigious journal *Nature* predicted that global warming will drive a quarter of land animals and plants into extinction by 2050. The authors described this catastrophic tear in the web of life as “terrifying ... far, far worse than we thought, and may even be an underestimate.”

For those who prefer the authority of number-crunchers, four years ago Andrew Dlugolecki, then director of one of the world’s largest insurance groups CGNU, forecast that the bill for property damage caused by the rising tide of natural disasters as a result of climate change “will exceed the world’s GDP by 2065.” Put simply, the world - and business - will be bankrupt.

For the optimistic business people, politicians and economists who insist that things are getting better, not worse, and that we’re simply “suffering from the problems of success”, the Millennium Ecosystem Assessment explains the paradox of decline in the face of apparent progress, and why more of the same economic medicine is not the cure: the *way* in which we are pursuing human development is the *source* of our ecological decline. One is causing the other.

That’s why improvement for some, and decline for many, coexist. And for the most part, those who experience improvement are buffered from the decline by wealth, by distance, and by the institutions that surround them.

In addition, we don't notice that we're destroying the basis of wealth, and life itself, because the benefits of ecosystem services are not traded in capital markets, so their degradation simply isn't captured by conventional economic statistics. Economic ‘common sense’ tells us it makes more sense to cut down a tree and put the money in the bank than leave it standing in the forest to provide its ecosystem services (which, incidentally, are about sixty times the monetary value of the wood).

Business people claim they "have to live in the real world”, which for most is the abstract world of numbers. The *real* real world is the one described in the MEA report, which we all have to live in, and this has a hard time inserting itself into business consciousness. A delegation of global CEOs who lobbied the Minister for Enterprise and Trade during Ireland's EU Presidency, urged her to "legislate for the floor, not the ceiling" in response to pressing issues such as climate change.

Policy makers are routinely advised not to mess with “competitiveness” by dealing decisively with urgent issues, but what "competitiveness" might mean in a world that’s an environmental basket case, is never addressed. The assumption seems to be that, with a little tweaking the current business model will take us safely into the future.

If the Millennium Ecosystem Assessment provides even an approximate picture of our unfolding reality however, this is wishful thinking, and in the light of the economic and cultural transition now urgently required, the IMI's agenda seems lost in a parallel reality and way past its sell-by date.

An annual convention of business leaders should be exploring how to transform the entire DNA of business, so that all of life is at the heart of it, not withering at the margins. What is needed is not a little patching up, or a dash of corporate social responsibility at the margins to ease the conscience, but a new sense of purpose and direction, and a transformation in the assumptions, values and culture of business, based on a realistic and honest appraisal of the long shadow it is now casting over the world.

Business people can learn, transform and evolve only if they're smart enough to disrupt the certainty of their own logic, and humble enough to ask deeper questions, such as how their considerable resources, intelligence and global networks can be switched from being part of the problem to being part of the solution.

That’s the real business agenda. As the dominant shaping influence on the planet today, business will decide the fate of humankind and Earth itself,

whether these questions are asked or answered.

No other generation has had such shaping power.
Or such awesome responsibility.

PostScript

Following publication of the above article in yesterday's Sunday Business Post, we'd like to offer the following comment.

From experience, we know that it is difficult to find a mainstream newspaper editor who will provide space for contributions that are even remotely critical of the broadly accepted business agenda, so we are grateful to the Sunday Business Post, and its editor Cliff Taylor, for including this piece yesterday.

While we don't wish to nit-pick or be over-critical, there are two aspects of its publication which are core to the central issue and should, we feel, be highlighted for our readers' interest and learning.

The first point concerns the title. The article was submitted under the title *IMI Conference - Avoiding the Agenda?* This was because the IMI Conference - one of the high points of the Irish business calendar - is due to take place on Thursday and Friday this week, and the article questions whether this august body of business leaders is aware of the serious issues so graphically described in the Millennium Ecosystem Assessment report just released, which are of immense importance for business and for everyone on the planet.

The agenda for the IMI Conference suggests otherwise. It's business as usual, and there will be speeches from government ministers, including the Taoiseach himself. There will be addresses by various business luminaries about creating a growth culture, conquering stagnation, going global, increasing competition. And that old chestnut - over-regulation by government - will be debated. But there is nothing whatever about the sharply deteriorating wider context in which business operates.

We are not attached to the title submitted, and of course we completely accept the sub-editor's right to change it. However the title chosen - *Is Commerce in Conflict with Ecology?* - fundamentally changes the sense of what the article is about, and potentially acts

as a barrier to the reader who may consider the topic of the environment boring or irrelevant to them, and who may only read the headline.

There is no suggestion here that there is any conscious intention behind this. It is far more likely that the person who made the change doesn't fully understand the issue, and sees the problem as two conflicting interests - business and the environment - on an inevitable collision course. However this neither true, nor is it the issue.

What the article was trying to draw attention to is the disturbing fact that the hugely destructive effect of the current economic model of continuous growth, based on continuous production and consumption, fuelled by fossil energy and continuous debt, is persistently ignored by business leaders and their supporting institutions.

The second point is similar, and concerns the picture chosen to illustrate the article: a postcard-size colour photograph of large chimney stacks belching dirty smoke towards the heavens - typical of industrial age factories or coal-fired power stations. The choice of course, adds weight to the misleading title.

Again, we acknowledge the picture editor's right to choose whatever seems appropriate, however the challenge is to illustrate the core message of an article in a way that captures the reader's attention and draws them to the text. This picture is bold and dramatic, and a fairly typical editorial choice to support environmental argument. But the article doesn't make an environmental argument.

Had the original title or something similar been left in place, how would it have been illustrated? How would a picture editor illustrate the fact that in the writer's opinion, business is avoiding the real issues?

It is a challenge.

At the heart of the real issue is a tacit belief that since huge chimneys belching black smoke have largely disappeared from our landscape, we are not doing any harm. We have 'clean' industries like electronics and telecommunications, for example, or financial services. We don't see that every motor car, aircraft, power generator, every cup of coffee, every housing estate - our entire way of life - is founded on a system that is now causing extraordinary damage to the life

support mechanisms of our planet.

So a photograph of a traffic jam, cars and commercial vehicles on a motorway, any airport, any modern office park, the contents of any weekly shopping trolley, the floor of any dealing room - would have been more appropriate to support the argument. The point is, as employees, owners, managers, consumers, or as ordinary citizens, no matter what commercial enterprises we support with our labour or our custom, we are all implicated in a global crisis which has been dubbed by some expert commentators as literally, the “fight of our lives”.

This is not an anti-business message. Business is a necessary and valuable part of life. It is the *way* business is pursued today that should greatly concern us all. Its narrow worldview. Its sense of separateness from all else. The uncontested ideology of continuous growth, consumption, competition, cheapness, and profit for its own sake - all of this totally dependent on the burning of fossil fuel - is causing irreparable damage to the fabric of life, and ultimately to business itself. As the economist E F Schumacher said, if Man wins the war against the environment, he will find himself on the losing side.

If we go upriver to the source, we discover that the primary problem is not environmental, but *cultural*. The sense of separateness that now pervades our culture is embodied in and amplified by the values and assumptions of commerce, which now dominate every aspect of our lives. The sense of connectedness that beats at the heart of a healthy environment and a healthy community has all but vanished from everyday decision-making. Gone is the innate understanding that if your end of the boat sinks, my end of the boat sinks also.

This ‘connectedness’ is not spoken about in the mainstream, because it doesn’t make sense within the current common sense. But common sense can and does change. There *is* an alternative to our current way of life but reaching it requires a fundamental shift in perception and values. Some visionary business leaders around the world, who have chosen not to look away, are proving that it’s possible to create highly profitable enterprises by pursuing a different set of goals using healthy, generative processes and practices.

There is nothing inevitable about the decline we are witnessing, as detailed in the Millennium Ecosystem Assessment Report. What is astonishing is that most business people, who believe themselves to have an eye on future trends, seem indifferent to the threat - and the extraordinary commercial opportunities it presents. And the mainstream business media, trapped in the same worldview, has so far failed to hold business to account or question the basic assumptions underpinning its philosophy. ||| **dya**

Your comments are welcome at mail@dya.ie

a reflection

UnderCurrents is intended to respectfully provoke new conversations and challenge individuals and organisations to become conscious of the web of relationship in which everything exists, and the profound responsibility that lies with each one of us for the world that unfolds on our watch.

We encourage you to reflect on these ideas privately, or together with colleagues.

Questions you might explore:

- Where am I in all of this?
- Where is my organisation in all of this?
- What are we contributing to the way things are?
- And how might I / we experiment with our life and work practices to foster healthier patterns of relationship?

about the authors

Paula Downey and David Youell are partners at downey youell associates, working with issues of organisation, culture and change through the lens of living systems.

Paula has a Distinction in Communication Studies and a Masters with Distinction in Responsibility and Business Practice from the University of Bath and has studied Systems Thinking at the Open University. David is a qualified Cultural Assessment Practitioner. Both speak and write on organisational culture. issues.

about ‘UnderCurrents’

UnderCurrents is an occasional thought-paper, presenting a challenging voice that encourages people and organisations to learn, evolve and transform beyond their current worldview.

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You can find out more about *Q5* and enquire about joining a group by emailing your name, address, organisation and telephone number to <mail@dya.ie> and writing 'Q5 - Join' in the subject line.

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a: 123 Lower Baggot Street
Dublin 2
Ireland
p: (353 1) 661 2636
e: mail@dya.ie
w: www.dya.ie