



TOGETHER
for a sustainable future

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Rec'd Nairobi
2/7/92

A COMMON SENSE

(aka GREENBUCKS)

INTRODUCTION

The one hour documentary "A COMMON SENSE" is about doing business in a way that will not destroy the planet we live on. It is about Sustainable Development and the CEOs of some major global industries who realise that Business in the 21st Century will be clean, or non-existent. In this way, the film is also about birth and death - the death of an old way - the dinosaur of dirty, polluting, resource heavy industrialisation- and the birth of a new framework for business - clean, efficient and harmonious with nature. The film captures the creative processes going on right now in the halls of industry and in the Board Rooms of the world.

"A COMMON SENSE" is the story of the birth pangs of Sustainable Development in the last decade of the twentieth century. It is fundamentally a story of change & hope but it faces the contradictions inherent in the very concept of Sustainable Development squarely, in the knowledge that change of this magnitude will be a process of slowly changing course rather than a miracle conversion.

The CEO's we feature will talk to us about the ongoing process of change in their corporate and business lives: a change towards sustainability which is more than skin deep. The decision to become "green" affects manufacturing processes, choice of resources ,energy consumption, portfolio of products, management style, marketing, employee relationships and attitudes to customers. When a company, supported by its shareholders, makes a commitment to sustainable development, it is like an adolescent crossing the threshold into conscious adulthood. Each step forward leads relentlessly into a new sense of responsibility and there is no going back to the "good old days" of thoughtless pollution and consumption of resources. In all our stories there is a sense of a maturing business ethic. "A COMMON SENSE" fosters this analogy: that sustainable development as a way forward for human enterprises signals "the end of the long childhood of the species." (1)

THE INDUSTRIALISTS

The film deals with several distinct and global stories about significant and successful moves for Sustainable Business practice. We look at the DuPont Corporation- one of the world's largest companies - a chemical company. "the single largest corporate polluter in the US" according to Friends of the Earth.

DuPont's CEO, Ed Woolard, is responsible for phasing out CFC production- a \$750 million per year business. He says:

"Environmentalism is now a mode of operation for every sector of society, industry included...I am calling for Corporate Environmentalism- which I define as an attitude and a performance commitment that places corporate environmental stewardship fully in line with the public's desires and expectations."

We ask Ed Woolard how he achieved shareholders' support; how his overseas managers respond to the stringent emission goals he has set and is achieving with remarkable speed and profit. We consider the strong links between environmental health and safety and environmental standards and remember a time when business complained that it could not afford to maintain health and safety standards.

The global empire of the DuPont Corporation and its attitude to its countries of residence regardless of the varying environmental regulations are considered. Woolard shares his views on management, the global economy, sustainable development, corporate ethics, chemical toxicity, current DuPont infringements of environmental regulations and fines, and the process of corporate change. We see Australian DuPont factories; we hark back to the past, an earlier, dirtier DuPont; we see clippings of environmental dramas and refer to accusations of "Green Fraud" our cameras convey the might of this global corporation. Though neither hero nor villain, Woolard is a relaxed, likeable person, with a believable, positive vision of the way to do business sustainably. In talking to Woolard, as in our other stories, "A COMMON SENSE" investigates a new paradigm that underpins the move towards Sustainable Development.

SUSTAINABLE DEVELOPMENT IN PRACTICE

Stephan Schmidheiny is a remarkable industrialist, and Switzerland's most important entrepreneur. He is on the Board of Nestle and ABB, two of Switzerland's largest companies, and on the Board of one of its largest banks.

He is also the chair of the Business Council for Sustainable Development, which he convened at the request of Maurice Strong (UNCED) to involve the global business community in the Rio process. (The UNCED meeting in Rio, June 1992, is the United Nations Conference on the Environment and Development. It will focus the attention of the World on Environment and Development.) Schmidheiny is a major character in our film. From the dismantling of his asbestos industrial empire in the 1980's (because of the inherent dangers of the material) to his involvement in business ventures and foundations with the South, the overwhelming thrust of his business is now with high tech companies which help preserve the natural environment.

His commitment to Sustainable Development is beyond dispute. Attractive, quietly well-spoken but energetic in his thinking and search for new ideas, the forty-four year old industrialist is one of the new breed of leaders in the global marketplace and in sustainable development.

Our cameras meet him at his ranch in Costa Rica - his favourite place to relax with his family. There, he is involved in some major, innovative projects such as Fundacion Fundes, which promotes small business development in Costa Rica.

Our wide-ranging discussion with Schmidheiny arches over the whole film. He tells of his experience with boards, workers, capital markets, and banks. He has well thought out views about the difference between Growth and Development and, through him, we begin to explore the concept of "Sustainable Development" itself. We meet one of the clients of Fundes, a woman who manufactures beautiful rugs for the export market. She has been able to establish her business only because of the credit support, education and training she has from Fundes. Of the hundred projects in operation, the success rate is 99%.

The philosophical bed of the film, upon which our "sustainable" industrialist stories are set, lies within an exploration of this brave and exciting concept, as it applies to the whole world.

THE ECONOMIST

Herman Daly, a radical economist, who is now working with the World Bank, is another of our central storytellers.

"One reason for the unanimity of support given to the phrase 'sustainable development' is precisely that it has been left rather vague - development is not distinguished from growth in the Brundtland Report, nor is there any distinction between strong and weak sustainability. Politically this was wise on the part of the author. They managed to put high on the international agenda a concept whose unstated implications were too radical for consensus at that time. But in doing so they have guaranteed eventual discussion of these radical implications. Consider, for example, two questions immediately raised by any attempt to operationalise their definition of sustainable development. Development that 'meets the needs of the present without compromising the ability of future generations to meet their own needs.' First, there is a question of distinguishing 'needs' from extravagant luxuries or impossible desires..." (3)

Daly explores these questions and more. He seriously questions the construction and relationship of our economic and political systems and our measurement of "growth" in the GNP. He argues that a national accounting system, which shows the Exxon Valdez disaster as a plus on the balance sheet, is clearly an absurdity.

He even goes so far as to question the sacred cow of the open global market place as the best operational structure for a sustainable future.

ISSUES

The philosophical base of the film is enriched by interviews with such others as Otto Castro, Costa Rican industrialist; Chief Mrs. Kuforiji - Olubi, Nigerian businesswoman; Fernando Romero, Bolivian banker; and Harald Agerly (Danish industrialist). The question of EQUITY on all levels emerges as critical to a sustainable future: without solutions to poverty, over-population and equitable technology transfer, it is hard to imagine building the global consensus necessary to sustain the environment. It is impossible to tell this story without major reference to these questions and to North/South relations on every level, but especially the economic one. We speak quite specifically to our managers of global corporations to interrogate them about their attitude to international trade, technology transfer and the flow of financial resources.

Volkswagen and Asea Brown Boveri are two other industrial giants, which span the globe and are making major steps towards sustainable business practice.

TRANSPORT

Dr. Carl Hahn, the CEO of Volkswagen, reveals his organization's significant achievement in the area of "cradle to grave" management of their production. High value-added recycling is his goal: *"the aim is to channel all the extracted materials back into the production cycle, i.e., if possible: 100% recycling."* The VW development recycling plant at Leer has shown that no longer is the cost of production the sole consideration in design and materials choices.

Another major focus for VW is that of hybrid drive cars. Earlier research and development of the electric drive vehicles was scaled down because the company could not foresee market acceptance of the more expensive, shorter-range, lower performance vehicles. They are currently testing the dual-drive Golf, a controversial electric/conventional car scheduled for mass production before the end of the decade. We observe a fleet of 40 of these "Eco-golfs" which are currently being tested by the Zurich police force.

We visit the recycling plant, with the cars being brought in by truck to be dismantled by the team. This is an experimental station, developing the technology and systems to handle all of VW's recycling needs for the future.

Dr. Carl Hahn is formal, authoritative and thoughtful. His ideas about why Germany lead the world in environmental regulation and production prove insightful and interesting. His views about operations in the Third World are particularly relevant because of VW's extensive presence in developing countries.

ENVIRONMENT - A GROWTH INDUSTRY IN A SUSTAINABLE FUTURE.

Our next contributor is Percy Barnevik, the passionate CEO of ASEA BROWN BOVERI - a vast consortium of European companies specializing in transport, energy and process technologies. ABB is moving creatively and aggressively into Eastern Europe and his commitment to and concern for repairing this environmentally devastated area is only matched by his desire to see his company well established in this new marketplace. His energy is irresistible, as is the force of his company in the market place. Clearly, the drive to the bottom line prevails, as in all successful business operations, but as the bottom line and good environmental practice line up, Barnevik's astute strategic management make ABB a major industrial force for sustainability.

We visit ABB's latest "Clean Coal Plant" in downtown Stockholm. The emissions are well below the average for a coal plant and the inhabitants of this thriving and environmental city, after initial reservations, are happy now to have this plant in their midst. The question of clean coal technology takes our audience inexorably to questions about fossil fuel, and carbon dioxide. "A COMMON SENSE" leaves the audience in this example, as in many others to wonder about clean coal versus no coal. People in countries like Australia and China, which depend heavily on coal or coal exports, could be expected to find this question uncomfortable.

Indeed this film, simply because it chooses to look at the grey areas between the opposites in the debate about sustainable development often deals with uncomfortable issues: "this too is true". For example, any one of our featured industrialists can be and maybe criticised by some by some groups. Some people would find Barnevik's ideas for technology transfer inconsistent with an equal and sustainable future. Ditto for Ed Woolard at DuPont. This film is not grappling with a perfect world and a perfect ideal; it is expressing and describing the reality of a system in upheaval.

It seems that there is no black and white anymore. The problems are too complex and the solutions too subtle in process for the either/or thinking which has characterized most problem-solving in business and politics in the past Management or Union; business or environment..

ENERGY

No story demonstrates this caveat more clearly than the energy story from Southern California. This is a tale about the productive results of "sleeping with the enemy."

The brainchild of a young lawyer from the National Resources Defense Council, Ralph Cavanagh, the "collaborative process" between the regulators, the utilities, environmentalists and consumer groups in the energy sector has borne remarkable fruit. It has resulted in a new approach to the way the Utilities do business in California - the 8th largest market in the world.

Until 1990, the business of Pacific Gas and Electric, and Southern California Edison, was to sell electricity. Profits to their shareholders arose from the volume of their sales; it was a commodity business. Now, they sell energy savings! By adjustments to the STRUCTURE of this regulated industry, both companies now make profits from encouraging their consumers not to buy electricity. They define success as not having to build any new power plants in this decade, even though their population base is growing significantly.

We speak to Ralph Cavanagh; Patricia Eckert, President of the Public Utilities Commission; John Bryson, CEO of Southern California Edison; John Fox, the Environmental manager of PG&E; and the inspirational Carl Weinberg, head of PG&E's Research and Development. It's his job to be the visionary of PG&E and with this radical shift in priority, he's into it, boots and all. He tells his employees: *"Don't come to me asking for permission. Come and beg forgiveness if you have to, but let's get on with it."*

These protagonists tell this story of radical, structural and fast change into a new way of doing business. They are clearly proud of what may well be a model of decision making and change that could work elsewhere.

Aerial shots of power lines, stretching silver into the distance in the late afternoon sun, remind us how power is central to development. We look at the shining banks of solar cells in the California desert and the wind mill farms in the California hills. Southern California Edison and PG&E clearly place great faith in renewable energy and are prepared to put their money where their mouth is, using solar, hydro, wind and geothermal. That they have nuclear power as part of their portfolio and they tell us that the costs and environmental waste problems make it unlikely that they will invest further in this technology in the USA.

We conclude this story among the jewelled red, blue and green guitars of the Fender Guitar Factory in Los Angeles. As we watch Hispanic guitar tuners test each guitar in a cacophony of rock 'n roll scales and tunes; we see at first hand how the decisions of a utility - Southern California Edison - have affected the future profitability of this company.

By now, our story on energy and regulation has touched on Air Quality Management in this region and we conclude with Jay, a Fender employee who, while he appreciates that Fender is becoming more environmentally sustainable in its energy use and emission levels, says:

"I don't car pool like the rest. I have a V8 car and I love it. I figure what with regulation and taxes rising, my days are numbered so I'm going to drive my V8 as long as I can." Later he says that he measures his quality of life in terms of *"freedom to do what I want, so long as I don't disrespect others around."* We cut to the Los Angeles smog.

DEVELOPMENT

Every story we touch - DuPont, the Utilities, the car industry- brings us back to an inevitable truth: most companies change to sustainable goals because "the writing is on the wall." The film looks at the "wall", and examines the 20th century on it's headlong crash into that wall. This whole question of sustainable development has only arisen because of the mind-numbing unsustainability of the industrial development of the nineteenth and twentieth century in the "developed world". "A COMMON SENSE" establishes this context for all our stories about individual businesses throughout the film.

"Development" so far has led to dead rivers, deserts, lost species, decimated forests and an alienated, dis-engaged human population. We set this context with the parallel exponential curves of industrialization, population and pollution: we see that our escalation towards the brick wall has happened in the last hundred years or so. We refer to poetry ("dark satanic mills, etc.), song, archival footage, folklore, diary entries ("Joe went off to the Big Smoke"; we thought it was great to see them chimneys spitting smoke; it meant the men was in work"). The smokestack becomes a recurrent symbol of an age gone by. The industrial age is dead, as Alvin Toffler says so convincingly. We speak to him and others about visions of the future, contrasting positive visions of a sustainable future with visions of apocalypse: "Mad Max" etc.

At every turn, it is clear that the first steps towards sustainable business practice usually result in profit to the company, energy savings, resource reduction, waste minimisation. But there are other changes which occur in the way of doing business. Synchronistically, as management consultants advise on flatter structures and a highly skilled workforce, many companies find that the "housekeeping" aspects of moving towards SD (savings on waste, energy and resources) are often achieved by suggestions from their workforce. Most CEO's report that more responsibility needs to be delegated down the line to make it work. The huge hierarchical, inflexible "dinosaurs" of the industrial past seem to be giving way to the smaller, more flexible "mammals" of a new evolutionary age.

THE SMALLER COMPANIES

The Memtech Company in Australia set up shop 8 years ago. It believed there was a global market in cleaning water. By gathering together membrane technologists from around the globe in its Sydney laboratory, it has come up with a revolutionary and cheap way to treat sewage. Dennis Handly, CEO, says:

"The technology of sewage treatment was 100 years old: let it settle and the waste will separate. Nobody had even looked at a smarter, faster way." Memtech have found a new process. "It was a frog kissing exercise", says Handly. "R & D is like kissing frogs. Eventually one of them will turn into a prince...of course, some frogs are more princely than others."

It is clear that R & D is an increasingly important aspect of Sustainable Business practice. Memtech's membrane technology small, flexible, easy to move (& sell) - can allow sewage treatment to take place at various locations in a city, thus enabling the source of water pollutants to be tracked down and charged (once the polluter pays principle really gets established). The ironic twist to this story of a company setting out to target a sustainable business in a sustainable way is that it will shortly leave Australia, because its domestic market is too conservative to move quickly to buy this new, cost saving technology. The slow acceptance of new, clean technologies in well established political economies is a factor which impedes the progress of sustainable development the world over. This theme of social change and systems relationships is one which occurs often throughout the film.

Similarly the lack of capital base of small entrepreneurial companies, and their vulnerability to environmental liability in the future, places many innovative small and medium enterprises (SME's) at risk in the market place of the future. The role of Capital in business is another recurring investigation. By focusing on SME's in Thailand (and SME's make up over 50% of all business done in the world) we explore their special needs in a sustainable world. The two or three person electroplating shops in downtown, car choked Bangkok are poisoning the river, via domestic sewage, with heavy metals. Only government sponsored waste water plants can intervene in this situation to capitalize more sustainable business practice by these companies.

In Africa, as in many other parts of the Developing world, small enterprise is the dominant mode of business. The tanneries there, run by small groups of people, create an incredible amount of poisoned water which flows into the river systems. UNIDO (The United Nations Industrial Development Organization) has set up a pilot project showing small operators how to "clean up" their tanning business. Speaking to operators and people involved in the pilot project, we explore the extent to which sustainable development requires a new attitude to production at every level of the marketplace.

LEVERS OF CHANGE

In every story, "A COMMON SENSE" refers to forces which are driving business onto a new course: government regulation, environmental activist, or consumer pressure. We go to Denmark and speak to Lief Norgaard, the CEO of Novotex. His textile company has been working to promote organic cotton production. Through education and financial incentives, as well as through using his leverage as a buyer, he has persuaded cotton growers in Turkey to produce organic cotton. Back in Denmark, he has convinced the local dyeing company to clean up its effluent. At the same time, he is working at the marketing level to establish a labelling system and a pricing structure for "green cotton" - a product increasingly sought by High Street retailers, fashion designers and large mail-order houses. Norgaard lives in a house with a grass roof. His personal and domestic life reflects his business commitment to a sustainable future.

CONCLUSION

The final structure of this complex story will be determined in the editing. At that time, "A COMMON SENSE" will be enriched with a strong sound track, voices of many lands, contemporary and vintage commercials, archival footage, poetry and quotations.

The heart of the film lies in and amongst the stories we tell. This is a modern film about modern life. "A COMMON SENSE" celebrates the challenges, explores the difficulties and contradictions, investigates visions for the future and the many powerful ideas which are inherent in the term Sustainable Development.

1. Carl Sagan, speaking at Sundance, Utah, August 1988
2. Friends of the Earth Report on DuPont, 1991
3. Herman Daly & John Cobb: "For the Common Good"