

The Business of Building Sustainable Communities: Reuniting these United States*

by Theodore Roosevelt IV **

When I was asked to speak at the Sustainability Forum by the organizers, they initially wanted me to talk about sustainability from the perspective of the financial institution and the bottom line. They thought there must be some link between my advocacy and my job as an investment banker – that I had a story to tell about profits, the planet, and Wall Street. I replied bluntly that “there may be a story to tell, but I’d have to make it up out of whole cloth.”

The Wall Street establishment is not particularly interested in sustainability, unless our clients are interested. The concept of sustainability, which strategizes for win-win scenarios for this and future generations, built on a cooperative foundation is totally alien to us. On the Street, profits are predicated on sorting out today’s winners from today’s losers, and cooperation is considered a useful tactic – as long as you get your own way in the end.

Mediating profits through an instrumentality called “values” makes us very nervous. The environmental community makes us nervous. Green portfolios? They’re nice – a good way for some institutions to diversify and manage risk, but they haven’t reached a critical mass in the marketplace, not enough for us to pay more than peripheral attention to them. The triple bottom line? If a company is interested in that and it helps market their product or adds to their efficiency, thus increasing shareholder value, great. But it doesn’t really concern us. Global warming, carbon credits and trading. Something there. But, it’s a ways off.

Bottom line: If it doesn’t generate revenues for investment bankers, then it is not, in the Wall Street parlance, sexy. Sustainability isn’t sexy. Mergers and acquisitions are sexy; billion dollar bond deals are sexy; getting in at the right time and out at a better time – well, need I say more?

On the other hand, corporate leaders around the world and government leaders, aside from our own, are paying increasing attention to this issue and to the constraints on growth that result from unintended environmental problems. While the Republican Party, my party, may be dragging its feet on global warming, and while some corporations may consider it beneficial to take advantage of that down time, almost every CEO whom I know believes that they must strategize for the *fact* of global warming. Many others believe that global natural resource shortages, most notably water, loom as the unrecognized challenge of tomorrow. In fact, the notorious Enron was positioning itself for just such an eventuality, attempting to create a market that they would dominate for water resources.

But don’t look to Wall Street to drive the sustainability issue or even to substantively respond to it as long as the left and the right persist in what I like to call their origination myth: that economics and ecology are in a battle to the death. And, ultimately, *that’s* what I spoke about at the Forum: *how* our rural communities, specifically ranching, and business interests are both ill-served by the oppositional politics of the left and the right on environmental issues and the mistaken allure of those politics to beleaguered parties.

I am deeply concerned, actually I’m alarmed, that we may only have two generations left before the family ranch and farm disappear from the American landscape. I consider the hardships that our rural communities are experiencing, as well as the ultimate threat of their disappearance from our land, to be a national and ecological disaster in the making, and I am determined to contribute in whatever way I can to turning this issue around.

In that regard, I once said to ranching friends: “Yes, it’s important to know that you have adversaries in the environmental movement and to identify them. But do not make the mistake of transforming the American people into your enemy.”

As you know, a large majority of Americans support protecting the environment, and they register that support *vis-à-vis* their memberships in national environmental organizations. They want business to prosper because they want jobs, but they don’t want dead rivers, clearcut landscapes, or acid rain. They want family farms and ranches on the land by the same percentage actually as those who want environmental protection. They want this for a wide number of reasons, primarily food security, open space, and the simple fact that rural landscapes are a national touchstone. But, again, they don’t want a hypoxic zone at the mouth of the Mississippi caused primarily by agricultural run off; they don’t want to hear about prairie dog shootings or grizzly and wolf exterminations.

The American people don’t know why they can’t have jobs and clean rivers; thriving rural communities and a few bears. And most economists agree with them: a thriving economy and a healthy ecosystem depend on one another. They know what is written in stone in Portland: the economy is a wholly owned subsidiary of the environment.

The American people figured this out without special courses in resource economics. They figured it out because they are pragmatic and down-to-earth, with a bias toward action and problem solving. In fact, they occupy no political position so well as what some are beginning to call the “radical center” – a term first coined by a rancher, Bill McDonald, of the Malpai Borderlands Group. The question is: Why is it so hard for policy makers and environmentalists to arrive at the same place on this issue as the American people?

The other day, I went into the office of one of my staff members and was totally taken aback. I was afraid she had really lost it. She had taken some of the “fan” mail that one of my environmental speeches had elicited from the left and the right, and she had cut it into little hand puppets. She was putting on quite the comedy show with her extremist puppets shrieking at one another. She said to me: “I ask you, can you tell me the difference between these letter writers? On the left, the sanctimonious; on the right, the self-righteous. Can you find any sense or light between them?” She was pretty fed up.

But there are worse cynics than my staff. Some say that both sides benefit to such an extent from the cultural warfare waged over our natural resources that it is a disincentive to making a peace. Oppositional politics, the cynics claim, fill the coffers of the environmental groups on the left, and on the right cement the support of the conservative base for Republicans. I have a somewhat better view of the left and the right: that they are the victims of their own myth making. At the core of this dispute is their one, central, origination myth: that the environment and the economy are in inherent opposition to one another.

In a moment, I will look at the problem with economics on the left side of the political spectrum and how this impinges on the survival of our rural communities and our ecosystems. Essentially, I want to show the unintended consequences of each side’s conviction that there is an opposition between economics and the environment, and that those unintended consequences are detrimental to the very causes the right and the left purport to serve. The left shuns economics and hurts ecosystems; the right shuns ecosystems and hurts economics.



So, now we must look at the right’s various ideological antipathies toward the environment: primarily their assertion that environmental protection hurts business, from the standpoint of opportunities squandered, competitive advantage lost, and risk management.

The right persists in notions that we must “balance” environmental protection with economic growth. There is the obvious nonsensical implication that this purported imbalance has mysteriously tipped to the side of the environment and that the *environment* is the titan at the lobbyist feeding trough. In refutation, environmentalists will point to the billions of dollars in direct agricultural payments versus the millions for the nation’s endangered species program. But more importantly, Republicans are in essence speaking the language (incredibly) of nuclear détente – calling for a balance of powerful opposing forces.

In that imaginary struggle, the Republican Party leadership has decided that conservatives must be on the side of business; that environmental protection costs jobs, hurts competitiveness, and causes industrial flight. All of those propositions are roundly refuted by economic studies. What conservatives are essentially choosing is to place themselves on the side of waste and rent-seeking, hardly conservative values.

Let’s take one example, energy. It’s been said many times: globalization rewards efficiency and innovation. In terms of energy, this translates quite simply into two prongs: conservation and new technologies. When Vice President Cheney dismissed conservation as a case of personal virtue inadequate to getting the job done, he missed the point. The amount of energy wasted in American homes and business is staggering. Amory Lovins estimates that we are now wasting \$300 billion dollars a year on inefficiencies. By failing to invest in conservation technologies, we are not only wasting our own treasure, but neglecting staggering business opportunities around the world.

America is failing to position its companies to capture what will be an export market estimated in the trillions of dollars for efficient energy technologies in the developing world. Europe and Japan are currently outmaneuvering us on this score. Industry needs investment capital with which to develop this export market and the commitment of public resources to trade promotion; in short, industry needs government to prioritize this issue properly.

When I recently gave a talk on globalization to Asian business leaders, their overwhelming interest was in the environment and new technologies to help them surmount the drag on economic growth that abysmal environmental standards are causing in their regions. For instance, a client of mine, the Electricity Generating Authority of Thailand, negotiated with lighting manufacturers to switch to higher efficiency florescent products. According to the International Institute for Energy Conservation, this enabled EGAT to save energy equivalent to the \$285 million it would have cost to build that much new capacity.

With regard to innovation, Dr. Bruce Piasecki, a corporate strategist, writes in his book, *In Search of Environmental Excellence*: “We now have the tools and technologies necessary to propel a revolution in energy that mimics that in telecommunications and computers.” In fact, I am fairly convinced that the next generation’s Bill Gates will make his or her fortune in these new technologies. Market barriers are the principal difficulty here, and the U.S. government is not stepping up to the plate. They continue to give tax breaks to mature industries, while they fail to help emerging technologies find the capital they need to come on line.

As the *Harvard Business Review* wrote: “Those who believe that ecological disaster will be averted must also appreciate the commercial implications for such a belief: over the next decade, sustainable development will constitute one of the biggest opportunities in the history of commerce.” In short, it actually looks like doing the “right thing” by communities and the environment is quite likely to also be the “profitable thing.”

So, now onto the left. Aldo Leopold, one of the founders of the wilderness movement, articulated the necessity for developing and sustaining a land ethic. In his view, this was a complex undertaking that did not exclude people. Nonetheless, he did seek to elevate the status of the land itself, as well as the intrinsic value of biotic communities. This was necessary and has served the environmental community well as a counterbalance to what was and sometimes continues to be the predominantly utilitarian regard with which the land was viewed.

An unfortunate trend, however, developed in the environmental movement, wherein the elevation of the “natural” biotic community is now preferred over the concerns (the sustainability) of rural communities. Wilderness is the greater good, the moral whole, and human communities, with all of their confusion and vicissitudes, are the snakes in what would otherwise be the Garden of Eden. There is a pervasive suspicion among environmentalists that the intrinsic values of nature, the biocentric values, will be overwhelmed by any reference to economics.

Economics is a topic mentioned with many qualifiers. I recently read an essay, for instance, in which the “scenic and ecological values” of an area were opposed to “*merely* economic ones.” Consider how the sentence would have read if economic was modified by “*exclusively*” instead of “*merely*”, so that scenic and ecological values would be opposed to *exclusively* economic ones. This is a slight example, but an indicator of the pervasiveness of this attitude.

Let me quote something from an excellent essay critiquing the moralizing, a-political, and anti-economic stance of environmentalists. It is called “The Tragedy of the Ethical Commons, Demoralizing Environmentalism” by William Chaloupka. He writes: “The legume is holy; the predatory megafauna divine. Demoralizing the well-being of green williams, the general problems with excessive moralizing are well known. Such moralizing risks authoritarian certainty, a moralistic overconfidence associated with opportunism. In the absence of a lively political culture, green moralizing risks forfeiting a democratic basis for environmentalism. Environmentalists bemoan the tragically unanticipated effects of what would otherwise be called progress. Greens are always in the tragic mode, scowling at the downside of whatever technologies and economic systems have wrought. All of which has made the movement remarkably susceptible to backlash.”

This refusal, this shunning, of the merely human and the tarnished economic by the environmental community means that another tragedy in my view is about to unfold. Between 1993 and 1999, even with large federal bailouts, 72,000 family farms disappeared from our landscape; from 1982 -1997, more than 3.2 million acres of rangeland were converted to development and ranchettes; currently, we are losing 1 million acres of agricultural land per year, largely to urban sprawl and agribusiness. More than 60 percent of listed species are found principally on those private lands, and 90 percent spend some part of their life cycle on non-federal land.

Once lost, family farms and ranches do not return. Not only is open space gone, not only are potential and actual wildlife corridors and buffer zones gone, but also a multi-generational tie to the land, with all the knowledge, story, and cultural wealth that carries has disappeared. My question is: How do we sustain a land ethic if our people are lost from the land?

I was recently given a book on ranching written by a remarkable young man, Nathan Sayre. Its title is *Ranching, Endangered Species and Urbanization in the Southwest*. I honestly haven’t had time to get through the entire book, but I would like to close this section with the quote by Raymond Williams that Nathan uses to open his book: “It will be ironic if one of the last forms of separation between abstracted Man and abstracted Nature is an intellectual separation between economics and ecology. On the other hand, it will be a sign that we are beginning to think in some necessary ways when we can conceive of these becoming, as they ought to become, a single discipline.”

It angers me that conservatives engage in irrational economics-versus-environment scare tactics; scare tactics should never be a tool in long-term strategic planning for either industries or nations. In reaction to the left, conservatives are making decisions that systematically destroy our strategic assets in the interests of short-term political gains. It angers me that environmentalists are so blinded by their sense of transcendent moral authority conveyed upon them by Nature, with a capital *n*, that they are willing to let human communities fall by the wayside and with them a large measure of the nature we all so ardently want to endure.

The left and the right will undoubtedly continue to ha-rangue and torment one another. And irritate the rest of us. But, we will have to steer a course toward that radical center.

Jack Ward Thomas, a former head of the U.S. Forest Service, once said that “ecosystems are not only more complicated than we think, they are more complicated than we can think.” And yet this is exactly the task before us: to think like an ecosystem, to understand that economics and ecology are embedded in one another, that our human communities are enmeshed with our natural communities, and that it is time to honor all of them. ☞

*This essay is adapted from a speech given by Theodore Roosevelt IV at the Sustainability Forum in Portland, Oregon on May 28, 2003. The speech was presented at the invitation of Martin Goebel, founding president of Sustainable Northwest.

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