

# Coming to terms with “sustainability”

One way or another, the future of the planet is in the hands of the firms that are using its resources to meet our insatiable demands

ROBERT HODGSON

Green has been the new black in business circles for years – red has always been out of fashion – but there is no sign of a slowdown in the global scramble for resources, and the production of greenhouse gases and solid waste. When captains of local industry, politicians and diplomats came together in Budapest on Monday under the banner “Embrace Sustainability”. Speakers displayed an often passionate commitment to that buzzword. But the Green Business Forum revealed stark differences in how the idea of “sustainability” is understood.

## Identifying the problem

The Green Business Forum was organised by the EuCham – European Chamber, a new institution representing, in its own words, the interests of national and international companies doing business in Europe. EuCham CEE president Michele Orzan opened the event by noting the power of global corporations. While rich countries top the list, three out of five of the 150 largest economic entities in the world are multinational corporations. Unlike states, these firms stretch beyond borders and their cooperation is crucial to successful action on the environment, Orzan said.



Chamber president Michele Orzan, said we should refer to GDP as Gross Domestic Pollution, until radical changes are made in the way we produce goods and services.

The European Commission, which adopted its *Roadmap to a Resource Efficient Europe* in September 2011, is clearly aware of the need to get business on side. “We must create the conditions to make sustainability the right choice not just ethically, but also from the point of view of profitability,” EU Commissioner for the Environment Janez Potocnik said in a video message to the forum. Potocnik used another buzzword: “circular economy”, a thing to which Europe aspires, one based on efficient use of resources and recycling.

The rub lies in whether economic growth and the ongoing profitability of big business can be reconciled with environmental protection. Luan Shllaku is executive director of the Kosovo Foundation for Open Society, funded by billionaire financier George Soros. “The meaning of ‘sustainability’ is often unclear even to those who are using it,” said the environmentalist, whose past work includes stints at the UN Development Program and the World Health Organisation. A sustainable economy and environmental sustainability are “pretty much contradictory”, Shllaku said.

Describing Kosovo as the “Kuwait of lignite”, he

said plans for a new power station fired by the particularly dirty fossil fuel are based on estimates that it will contribute a badly needed EUR 150 million annually to the economy. However, Shllaku cited a separate analysis that forecasts the cost in pollution and waste would hit almost half as much again in the medium term. Often for industry, environmental protection meant just “putting a filter at the end of the pipe” and carrying on as usual.

India’s ambassador to Hungary, speaking at the forum in a personal capacity and not as a representative of his government, cast the problem facing humanity in stark terms. “Infinite desires are the principle cause of the destruction of nature,” Gauri Shankar Gupta said. He argued that gross domestic product (GDP) is a flawed indicator of a country’s progress, and that it is blind to the nature of the goods produced, be it milk, alcohol or weapons. There were “glaring disparities of wealth” and huge slums were growing in cities across the developing world as people migrated from a depleted countryside in search of work.

“Unfortunately, we are the way we are,” said Denmark’s ambassador to Hungary Tom Nørring,



after reducing the issue to a matter of achieving a happy life while using fewer resources. There seems to be little global appetite for such an approach. Nørring recalled that the 2009 Copenhagen summit on climate change failed to produce any agreement on reducing greenhouse gas emissions. Unless things change, he said, “I don’t want my kids to have children”.

Danish firms have become world leaders in renewable energy, especially wind power, and the country aims to be fossil fuel-free by 2050 (and according to government communications this does not mean introducing nuclear power into the mix). Copenhagen aims to be carbon neutral by 2025, Nørring said – this would be no mean achievement for such a northerly city.

The ambassador argued that the EU has already “gone a lot further than what is demanding from the rest of the world”. Europe has stuck to its 20-20-20 targets despite the financial crisis. Companies must do the same, and not because legislation is forcing them, Nørring said. “Do it because it makes sense for the future and your kids, and because it makes good economic sense.”



Over 300 people from 28 countries registered to attend the Green Business Forum. Side events offered the chance for one-on-one conversations from sustainability to energy saving, such as this networking session with presentation of Kiboard, an app for iPad that helps managers more easily control running costs.

## Selected comments from panel discussion and in response to questions from the audience...

“Consumers today are being bombarded with so much information which very often is not joined up... Until we find an easy to understand way of doing it, there is a risk consumers will continue to be confused and they will not trust the information they have been given.”

- Managing Director of Nestlé Hungary Michael Nixon on providing consumers with information on the environmental impact of the products they are buying

“Governments can force them with legislation, consumers can force them through demand, or by choosing another producer if they believe one is not behaving environmentally correctly.”

- Chief Regional Officer CEE for Electrolux János Takács on how to bring firms into line if they refuse to limit the environmental impact of their businesses

“In the new multi-annual European Union budget... it was decided that one fifth of the total has to be used for climate related and environmentally related investments, and there is a lot of incentive in that.”

- Danish Ambassador to Hungary Tom Nørring on the potential of the carrot rather than the stick

“In Hungary and Eastern Europe generally the average life of a household appliance is twelve years: it shouldn’t be. It should be three, four or five years like in Switzerland, because then we can really take advantage of the new technologies that we put in our appliances.”

- Chief Regional Officer CEE for Electrolux János Takács replies to an audience member who says products that used to last 20 years now only last three.

“Every six months you replace your phone, every two years you replace your computer, every three years you replace your refrigerator. It means more production, consuming more natural resources, more solid waste and consumption of water, and more pollution into the air. We ought to think about whether this cycle is going to help us.”

- Indian Ambassador to Hungary Gauri Shankar Gupta

## Get smart: join foremost experts in Vienna

World Sustainable Energy Forum: Smart City, 2-4 June 2013

ALLAN BOYKO

Energy and environmental businesses from over 48 countries will be represented in Vienna in June to exchange ideas, make contacts and learn from each other at the World Sustainable Energy Forum. Goekhan Yildirim, president of Revista Consulting Group which is organising the second annual event, told a press conference at the EuCham – European Chamber office in Bank Center on Monday that the forum is directed at people with professional competence and

interest in sustainable energy solutions, issues and problem-solving concepts for industry and trade, universities, political decision makers, municipalities, representatives of authorities, suppliers, planners, constructors and operating companies in the energy sector, in addition to lobbyists.

“This year’s topic is Smart City,” Yildirim said. “Why? Because Vienna is the smartest city in the world. We are inviting mayors from



Conference organiser Goekhan Yildirim

the smartest cities including Paris and Toronto.” He highlighted three speakers: “We have the best traffic planner, the best waste management officer from Austria and Senator Marc R. Pacheco from the Massachusetts Senate.”

Pacheco will speak on Sustainable Energy and Environment Solutions. He is a climate leader with former US vice-president Al Gore’s Climate Reality Project.

### Three-day agenda

Over the three days of the forum there will be a conference, exhibition and B2B (business-to-business) meetings focused on:

- Sustainable and decentralised energy, renewable energy (bio-energy, solar, wind, hydro, geothermal, cogeneration, energy from waste);
  - Energy supply, distribution and storage; and
  - Smart and efficient energy use (construction, renovation, low-energy, intelligent buildings, industrial processes, electric- and alternative-powered vehicles, biofuels).
- The first day, 2 June, will be an

excursion, the second day will be the congress and the third day will be the world’s biggest energy fair, POWER-GEN Europe.

Yildirim said: “I am here today to invite Hungary because if every country brings their resources and puts in their energy also, our congress will be fruitful.”

### Turkey at forefront

Suat Gökhan Karakus, who wears many hats when it comes to promoting Turkish business abroad, spoke on behalf of TurkCham, one of the event’s major sponsors. While many parts of Europe are mired in the economic mud, Turkey has not suffered the same fate, he said.

Turkey, with its greener pastures, was anxious to do more business with Europe. “As president of TurkCham, I can tell you we are going to support all confirmed activities with our members,” Karakus said.

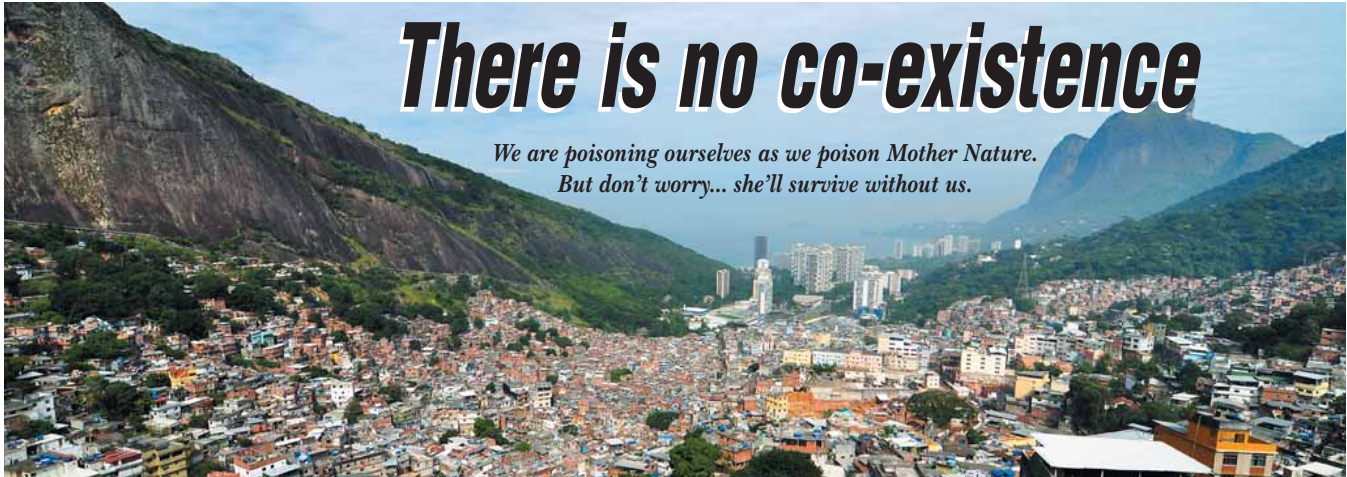
But don’t take his word for it. As one commentator on *The Budapest Times* website said on Tuesday when appealing for the airport here to get better airline connections between Hungary and Turkey: “Turkey has money to spend!”

### Contact information:

www.world-sustainable-energy.com. For a EUR 100 discount on the participation fee, see euecham.eu

# There is no co-existence

*We are poisoning ourselves as we poison Mother Nature.  
But don't worry... she'll survive without us.*



In 1800 only three per cent of the world's population lived in cities, Indian Ambassador to Hungary Gauri Shankar Gupta told the forum. Today it's over 55 per cent and rising. Of these over one billion people are estimated to be living in urban slums (pictured is Rocinha favela, Rio de Janeiro). In his lecture "Development and Environment" he made the argument that the unending pursuit for higher GDP will be the downfall of humanity.

Indian Ambassador to Hungary Gauri Shankar Gupta fears for the way today's world is developing. He received the loudest applause of the evening for his lecture "Development and Environment" and spoke in a personal capacity rather than as a representative of the government of India. Following is an condensed version of his speech combined with points he made in his presentation.

First we need to define development. Adam Smith was one of the economists who started this concept called the Wealth of Nations. The whole concept of Gross Domestic Product came from there. Then we had the Industrial Revolution and large-scale production. Machines were created and small-scale industries were considered very insignificant, not very productive, and not very innovative. So we got this concept called GDP. So the whole process of development today is measured in terms of GDP.

You read any newspaper – *The Economist*, *The Financial Times*, *The Wall Street Journal* – everywhere there will be statistics of GDP growth in every country, in every quarter. Even organisations measure their growth in terms of GDP. Then you percolate it down to the population and you call it per capita income, the

Now as a result of this process many things happened. One is that the largest scale production has come up because the smallest scale production is no longer competitive. They cannot sustain themselves in the market.

The second point is that these innovations are taking place one after another. There is a big race for innovations because you have to be competitive in the market. So every company comes out with new marketing strategies, new kinds of attractive advertisements. All these things are in force.

Thus we are also having great urbanisation because rural industries have been destroyed. They cannot sustain any more, so people are migrating to big cities and then of course we have slums. This is what we can understand about development today.



Gauri Shankar Gupta

That converts into semen. So our origin, our conception, lies in food. And then we eat food every day which converts into our body. Then we need water, and then we need air. And these all come from these five elements. They give us birth and then they sustain us day to day.

Now this concept that we are to co-exist is not a right concept. The nature is our mother. It will exist whether we exist or not. There is no co-existence. It is our existence which is at stake, you see, not nature's. If everyone died in this universe, nature would still survive. But if the nature dies we cannot survive, even for a day. So it is not a question of co-existence that they keep talking about. It is a question of the existence of humanity.

We are connected with nature in other ways as well. Why do we have only five senses? Why do we have five fingers? There are reasons behind it because each of our senses is connected to nature directly. The sense of hearing is connected with space. Touch is connected to air. Sight is connected to fire. Taste is connected to water and smell is connected to earth. Plus the breath we take connects us to the entire universe. We stop breathing, our body does not exist any more. In the last 100 years our exploitation of Mother Nature has been more than the last 5,000 years. It is a proven fact historically. We aim to see how much more we want to exploit Mother Nature and how long we can sustain that.

Let's look at the consequences of development: large-scale production, big industry and urbanisation:

- One per cent of the population owns 40 per cent of global assets.
- The richest individuals own more than the combined wealth of 48 nations.
- The combined wealth of 10 million millionaires was USD 41 trillion in 2008. It could be much more today.

Then there is growing unemployment:

- Despite increasing production and services unemployment is on the rise.
- Machines are fast replacing human beings.
- According to the International Labour Organisation, 200 million unemployed people with a global unemployment rate of 12.6 per cent.
- There is considerable semi-unemployment.

- 600 million new jobs are needed.
- Youth unemployment stands at 25 per cent of the total.
- 74 million unemployed youth in the age group of 15-24.
- Unemployment rising by five million a year.
- The problem is becoming more acute in the so-called high-income societies.

We have poverty and malnutrition:

- In the seven decades since the Second World War total wealth of nations has gone up by at least 100 times. However, incidence of poverty has increased.

- According to the Food and Agriculture Organisation of the United Nations, 925 million people do not have enough to eat (2010). 81 per cent of these come from the developing countries while 19 per cent from the developed world.
- On the other hand millions of tonnes of food is wasted every day.
- Authentic figures of malnutrition are not available. However it is believed that 25 per cent of the world's population suffers from malnutrition; some due to plenty, some due to poverty.

There are urban slums:

- In 1800 only three per cent of world population lived in cities. Today it's over 55 per cent and increasing.
- Unhealthy living conditions.
- Over one billion people are estimated to be living in urban slums.
- Sub-human conditions.
- Crime.

This is the result of development that I am talking about: if you go to any big industrial facility you will find human beings like you and me are working as robots in flesh and blood. They are doing the same repetitive task eight hours a day.

What kind of mental faculties can they have after that kind of work? So they want to go and drink after work is over. So this is what we have created from these large-scale assembly-line units that are everywhere in the world today. So capacity of mind and thinking are decreasing gradually.

Climate change:

- Increasing discharge of polluting substances into air, water and on



Henry Ford's assembly line in 1913: robots in flesh and blood.

Earth's surface.

- Industrial activities of modern civilisation have raised atmospheric carbon dioxide levels from 280 parts per million to 379 ppm in the last 150 years.
- Rampant contamination of rivers and lakes.
- Non-degradable waste including solid and nuclear waste is contaminating the very surface of our Earth.
- Fertility of soil and the quality of ground water are being degraded with excessive use of chemicals.
- According to NASA there has been considerable increase in greenhouse gases – carbon dioxide, methane, nitrogen oxide, chlorofluorocarbons (CFCs).
- According to the International Panel on Climate Change, temperatures are expected to rise 2.5 per cent over the next century.
- Glaciers and lakes to dry, sea levels rise, islands to submerge.
- Erratic weather pattern – floods, droughts.

We have growing health problems and new diseases. People are very stressed because they need to replace their cell phone every six months, car every two years, because of so-called "marketing and innovation". Then when it comes to food and water they have no time to eat or drink. They have to go to a small fast-food place or take their breakfast while they drive their car. Fast food, genetically modified food and preservatives are everywhere, causing health hazards. In fact, these results will be realised by humanity not now but in a generation or two, when you will not be able to produce a child because the sperm count in many parts of the world will have already fallen considerably.

Other issues on human health:

- Lifestyle – automation, mechanisation, virtual entertainment, transportation and communication.
- Increasing loneliness and decreasing human interaction – increasing dominance of virtual world.
- Break-up of families, unwed mothers and single parents.
- Addictions: alcoholism, smoking, drugs, anti-depressants.
- Reaction of past medication – about two thirds of diseases arise from the reaction.

- Chemical contents in the body are on the increase causing new and unpredictable diseases such as autism, reduction in sperm count, Alzheimers and so on.
- New and strong viruses in the air due to contamination.

There are social and ethnic conflicts. The causes:

- Glaring disparity of income and wealth.
- Unemployment.
- Intolerance and ego.
- Easy availability of weapons.

Human needs are limited and can easily be fulfilled.

- Desires propelled by greed are infinite. They are elastic and keep on stretching.
- These infinite desires are the principal cause of destruction of nature.
- Increase in GDP and per capita incomes are the instruments leading to this reckless and destructive path.

All of this is happening because of our greed for material comforts. We are becoming prisoners of our senses. They are driving us towards illusive happiness.

- We are all looking for happiness. Is this path led by infinite desires the correct path to happiness?
- Happiness through material objects is transient, short-lived, leading to the cycle of pain and pleasure.

- The very fact of desiring more and more is a clear sign of unhappiness/discontent.
- Therefore there is a need to understand our own self.

- We should not become prisoner of our senses. In this world these sense organs are driving us.
- Rather we should become master of our sense organs directing them the way we want.

- The person who can manage with less is enlightened. This is what economic principles say, so do ancient Vedic and Greek writings.
- It is extremely important to reverse the cycle of high production – higher consumption – higher GDP to save Mother Nature, which nurtures us from the very day of our conception, we must reverse this cycle.

I would like to end by saying that there is no harm in having more Gandhis, more Mother Teresas and more Mandelas. They have a simple lifestyle. I think we would be much better off with them. We don't need more people who are mad after production and mad after consumption. This is mine, this is yours: this kind of thinking is for those who have a very mean mentality. The people who have enlightened thinking, for them the entire world is one, the earth is one single family. And this environmental disaster must make us feel that we are one single family. There will not be any escape in respect to political boundaries or any other boundaries. The disasters can happen anywhere. At any time. All of us will be affected.



A slum in Bombay: There is no shortage of wealth. "In the last 60 years the wealth of nations has gone up by at least 100 times while the population has not gone up more than twice. Still, we have more poverty today than 50-60 years ago because of distributive injustice, as we call it in economics," Gupta said.

GDP divided by the population. So every country is aspiring to have more GDP and more per capita income. Win the race – we are rich.

Now that race means we must have more production and more consumption; it is a simple answer because without this you cannot have more GDP. And the quality of production and the quality of consumption is immaterial in terms of GDP calculation. If you produce arms worth ten billion dollars that means 10 billion in GDP. If you produce milk worth 200 million dollars that means 200 million in GDP.

GDP is blind to the quality of production, whether you produce drugs or arms, whether you produce alcohol or milk, they are all equal in terms of GDP. This also means that we have to consume more and more natural resources, we have to exploit the Mother Earth for all the minerals you need. We have to cut a lot of trees. We need a lot of water from rivers and lakes. And we have to use a lot of fresh air to continue our production.

So these are the requirements of higher GDP which we are following.