

Will Big Business Save the Earth?

By Jared Diamond

THERE is a widespread view, particularly among environmentalists and liberals, that big businesses are environmentally destructive, greedy, evil and driven by short-term profits. I know — because I used to share that view.

But today I have more nuanced feelings. Over the years I've joined the boards of two environmental groups, the World Wildlife Fund and Conservation International, serving alongside many business executives.

As part of my board work, I have been asked to assess the environments in oil fields, and have had frank discussions with oil company employees at all levels. I've also worked with executives of mining, retail, logging and financial services companies. I've discovered that while some businesses are indeed as destructive as many suspect, others are among the world's strongest positive forces for environmental sustainability.

The embrace of environmental concerns by chief executives has accelerated recently for several reasons. Lower consumption of environmental resources saves money in the short run. Maintaining sustainable resource levels and not polluting saves money in the long run. And a clean image — one attained by, say, avoiding oil spills and other environmental disasters — reduces criticism from employees, consumers and government.

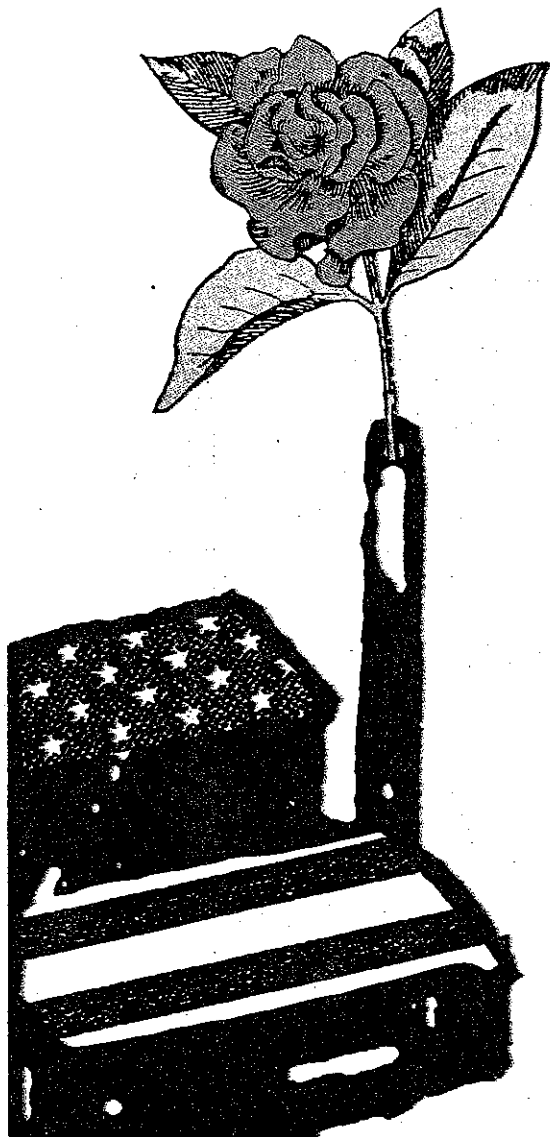
What's my evidence for this? Here are a few examples involving three cor-

Major U.S. corporations are now a force for environmental progress.

porations — Wal-Mart, Coca-Cola and Chevron — that many critics of business love to hate, in my opinion, unjustly.

Let's start with Wal-Mart. Obviously, a business can save money by finding ways to spend less while maintaining sales. This is what Wal-Mart did with fuel costs, which the company reduced by \$26 million per year simply by changing the way it managed its enormous truck fleet. Instead of running a truck's engine all night to heat or cool the cab during mandatory 10-hour rest stops, the company installed small auxiliary power units to do the job. In addition to lowering fuel costs, the move eliminated the carbon dioxide emissions equivalent to taking 18,300 passenger vehicles off the road.

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other goal is to work on the conservation of seven of the world's river basins, including the Rio Grande, Yangtze, Mekong and Danube — all of them sites of major environmental concerns besides supplying water for Coca-Cola.

These long-term goals are in addition to Coca-Cola's short-term cost-saving environmental practices, like recycling plastic bottles, replacing petroleum-based plastic in bottles with organic ma-

and increasing sales volume while decreasing water use.

The third company is Chevron. Not even in any national park have I seen such rigorous environmental protection as I encountered in five visits to new Chevron-managed oil fields in Papua New Guinea. (Chevron has since sold its stake in these properties to a New Guinea-based oil company.) When I asked how a publicly traded company

penditures on the environment, Chevron employees and executives gave me at least five reasons.

First, oil spills can be horribly expensive: it is far cheaper to prevent them than to clean them up. Second, clean practices reduce the risk that New Guinean landowners become angry, sue for damages and close the fields. (The company has been sued for problems in Ecuador that Chevron inherited when it merged with Texaco in 2001.) Next, environmental standards are becoming stricter around the world, so building clean facilities now minimizes having to do expensive retrofitting later.

Also, clean operations in one country give a company an advantage in bidding on leases in other countries. Finally, environmental practices of which employees are proud improve morale, help with recruitment and increase the length of time employees are likely to remain at the company.

In view of all those advantages that businesses gain from environmentally sustainable policies, why do such policies face resistance from some businesses and many politicians? The objections often take the form of one-liners.

• *We have to balance the environment against the economy.* The assumption underlying this statement is that measures promoting environmental sustainability inevitably yield a net economic cost rather than a profit. This line of thinking turns the truth upside down. Economic reasons furnish the strongest motives for sustainability, because in the long run (and often in the short run as well) it is much more expensive and difficult to try to fix problems, environmental or otherwise, than to avoid them at the outset.

Americans learned that lesson from Hurricane Katrina in August 2005, when, as a result of government agencies balking for a decade at spending several hundred million dollars to fix New Orleans's defenses, we suffered hundreds of billions of dollars in damage — not to mention thousands of dead Americans. Likewise, John Holdren, the top White House science adviser, estimates that solving problems of climate change would cost the United States 2 percent of our gross domestic product by the year 2050, but that not solving those problems would damage the economy by 20 percent to 30 percent of G.D.P.

• *Technology will solve our problems.* Yes, technology can contribute to solving problems. But major technological advances require years to develop and put in place, and regularly turn out to have unanticipated side effects — consider the destruction of the atmosphere's ozone layer by the nontoxic, nonflammable chlorofluorocarbons initially hailed for replacing poisonous refrigerant gases.

• *World population growth is leveling off and won't be the problem that we used to fear.* It's true that the rate of

creasing. However, the real problem isn't people themselves, but the resources that people consume and the waste that they produce. Per-person average consumption rates and waste production rates, now 32 times higher in rich countries than in poor ones, are rising steeply around the world, as developing countries emulate industrialized nations' lifestyles.

• *It's futile to preach to us Americans about lowering our standard of living; we will never sacrifice just so other people can raise their standard of living.* This conflates consumption rates with standards of living: they are only loosely correlated, because so much of our consumption is wasteful and doesn't contribute to our quality of life. Once basic needs are met, increasing consumption often doesn't increase happiness.

Replacing a car that gets 15 miles per gallon with a more efficient model wouldn't lower one's standard of living, but would help improve all of our lives by reducing the political and military consequences of our dependence on imported oil. Western Europeans have lower per-capita consumption rates than Americans, but enjoy a higher standard of living as measured by access to medical care, financial security after retirement, infant mortality, life expectancy, literacy and public transport.

NOT surprisingly, the problem of climate change has attracted its own particular crop of objections.

• *Even experts disagree about the reality of climate change.* That was true 30 years ago, and some experts still disagreed a decade ago. Today, virtually every climatologist agrees that average global temperatures, warming rates and atmospheric carbon dioxide levels are higher than at any time in the earth's recent past, and that the main cause is greenhouse gas emissions by humans. Instead, the questions still being debated concern whether average global temperatures will increase by 13 degrees or "only" by 4 degrees Fahrenheit by 2050, and whether humans account for 90 percent or "only" 85 percent of the global warming trend.

• *The magnitude and cause of global climate change are uncertain. We shouldn't adopt expensive countermeasures until we have certainty.* In other spheres of life — picking a spouse, educating our children, buying life insurance and stocks, avoiding cancer and so on — we admit that certainty is unattainable, and that we must decide as best we can on the basis of available evidence. Why should the impossible quest for certainty paralyze us solely about acting on climate change? As Mr. Holdren, the White House adviser, expressed it, not acting on climate change would be like being "in a car with bad brakes driving toward a cliff in the fog."

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Wal-Mart is also working to double the fuel efficiency of its truck fleet by 2015, thereby saving more than \$200 million a year at the pump. Among the efficient prototypes now being tested are trucks that burn biofuels generated from waste grease at Wal-Mart's delis. Similarly, as the country's biggest private user of electricity, Wal-Mart is saving money by decreasing store energy use.

Another Wal-Mart example involves lowering costs associated with packaging materials. Wal-Mart now sells only concentrated liquid laundry detergents in North America, which has reduced the size of packaging by up to 50 percent. Wal-Mart stores also have machines called balers that recycle plastics that once would have been discarded. Wal-Mart's eventual goal is to end up with no packaging waste.

One last Wal-Mart example shows how a company can save money in the long run by buying from sustainably managed sources. Because most wild fisheries are managed unsustainably, prices for Chilean sea bass and Atlantic tuna have been soaring. To my pleasant astonishment, in 2006 Wal-Mart decided to switch, within five years, all its purchases of wild-caught seafood to fisheries certified as sustainable.

Coca-Cola's problems are different from Wal-Mart's in that they are largely long-term. The key ingredient in Coke products is water. The company produces its beverages in about 200 countries through local franchises, all of which require a reliable local supply of clean fresh water.

But water supplies are under severe pressure around the world, with most already allocated for human use. The little remaining unallocated fresh water is in remote areas unsuitable for beverage factories, like Arctic Russia and northwestern Australia.

Coca-Cola can't meet its water needs just by desalinating seawater, because that requires energy, which is also increasingly expensive. Global climate change is making water scarcer, especially in the densely populated temperate-zone countries, like the United States, that are Coca-Cola's main customers. Most competing water use around the world is for agriculture, which presents sustainability problems of its own.

Hence Coca-Cola's survival compels it to be deeply concerned with problems of water scarcity, energy, climate change and agriculture. One company goal is to make its plants water-neutral, returning to the environment water in quantities equal to the amount used in beverages and their production. An-

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its stake in these properties to a New Guinea-based oil company.) When I asked how a publicly traded company could justify to its shareholders its ex-

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pressed it, not acting on climate change would be like being "in a car with bad brakes driving toward a cliff in the fog."

Global warming will be good for us, by letting us grow crops in places formerly too cold for agriculture. The term "global warming" is a misnomer; we should instead talk about global climate change, which isn't uniform. The global average temperature is indeed rising, but many areas are becoming drier, and frequencies of droughts, floods and other extreme weather events are increasing. Some areas will be winners, while others will be losers. Most of us will be losers, because the temperate zones where most people live are becoming drier.

It's useless for the United States to act on climate change, when we don't know what China will do. Actually, China will arrive at this week's Copenhagen climate change negotiations with a whole package of measures to reduce its "carbon intensity."

While the United States is dithering about long-distance energy transmission from our rural areas with the highest potential for wind energy generation to our urban areas with the highest need for energy, China is far ahead of us. It is developing ultra-high-voltage transmission lines from wind and solar generation sites in rural western China to cities in eastern China. If America doesn't act to develop innovative energy technology, we will lose the green jobs competition not only to Finland and Germany (as we are now) but also to China.

On each of these issues, American businesses are going to play as much or more of a role in our progress as the government. And this isn't a bad thing, as corporations know they have a lot to gain by establishing environmentally friendly business practices.

My friends in the business world keep telling me that Washington can help on two fronts: by investing in green research, offering tax incentives and passing cap-and-trade legislation; and by setting and enforcing tough standards to ensure that companies with cheap, dirty standards don't have a competitive advantage over those businesses protecting the environment. As for the rest of us, we should get over the misimpression that American business cares only about immediate profits, and we should reward companies that work to keep the planet healthy. □

Taking the Magic Out of College

By Lauren Edelson

PORTLAND, Ore. DRINK in the tour guide's every word as he shows my group around Middlebury College's campus. He tells us about the school's new science building and gives us the scoop on nearby ski mountains. Dreamily, I imagine my future self: a year older, strolling to class past this very same scene. I'm about to ask about science research opportunities when he points to a nearby field and mentions the sport students play there: a flightless version of J. K. Rowling's Quidditch game — broomsticks and all.

Back when I was a junior, before I'd printed off an application or visited a campus, I had high expectations for the college application process. I'd soak up detailed descriptions of academic opportunity and campus life — and by the end of it, I'd know which college was right for me. Back then, I knew only of these institutions and their intimidating reputations, not what set each one apart from the rest. And I couldn't wait to find out.

So I was surprised when many top colleges delivered the same pitch. It turns out, they're all a little bit like Hogwarts — the school for witches and wizards in the "Harry Potter" books and movies. Or at least, that's what the tour guides kept telling me.

During a Harvard information session, the admissions officer compared the intramural sports competitions there to the Hogwarts House Cup. The tour guide told me that I wouldn't be able to see the university's huge freshman dining hall as it was closed for the day, but to just imagine Hogwarts's Great Hall in its place.

At Dartmouth, a tour guide ushered my group past a large, wood-paneled room filled with comfortable chairs and mentioned the Hogwarts feel it was known for. At another liberal arts college, I heard that students had voted to name four buildings on campus after the four houses in Hogwarts: Gryffindor, Ravenclaw, Hufflepuff and Slytherin. Several colleges let it be known that

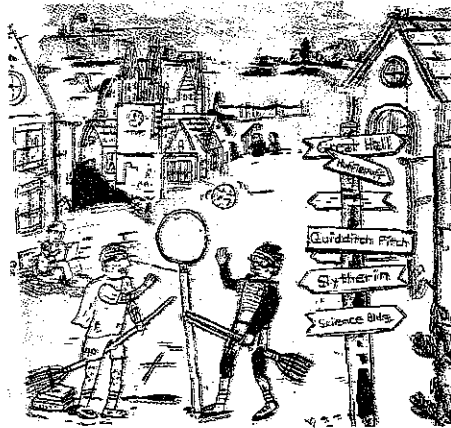
Emma Watson, the actress who plays Hermione Granger in the movies, had looked into them. I read, in Cornell's fall 2009 quarterly magazine, that a college admissions counseling Web site had counted Cornell among the five American colleges that have the most in common with Hogwarts. Both institutions, you see, are conveniently located outside cities. The article ended: "Bring your wand and broomstick, just in case."

I'm not the only one who has noticed this phenomenon. One friend told me about Boston College's Hogwartsesque library, another of Colby's "Harry Potter"-themed dinner party. And like me, my friends have no problem with college students across the country running around with broomsticks between their legs, trying to seize tennis balls stuffed into socks (each one dubbed a snitch) that dangle off the backs of track athletes dressed in yellow. Hey, college is all about experimentation, isn't it?

In fact, most of us have grown up adoring Harry Potter and, through J. K. Rowling's books, we've escaped many times into the world she created. But what I enjoy in fiction I don't necessarily want to find in college. And, despite any wishes to the contrary, the real-life skills I hope to gain from college do not include magic.

What really matters to me as I prepare to make my decision? Well, I loved hearing about Williams College's two-student classes called tutorials, and how Swarthmore lets students weigh in on almost-every big decision made by its administration. I was really impressed by Middlebury's student-driven campaign to save energy on campus. (For the sake of full disclosure, I just might be applying to some of these schools.) I care about diversity and need-blind financial aid — and, of course, the social life. But I don't care about what percentage of the student body runs around on broomsticks.

Leaving home and beginning life in a new place is a nerve-racking experience, and nothing seems more reassuring than imagining that college will be the realization of a fantasy world I've been imagining since childhood. Obviously colleges have picked up on this. But they're trying too hard. They're selling the wrong thing. And my friends and I won't be fooled. After all, Harry Potter is frozen in high school, and we're growing up. □



Why are America's best schools comparing themselves to Hogwarts?

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