

HOTSPOTS II: PERSONAL VIEWS OF THE FUTURE

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Several years ago, I attended a conference with Joni Mitchell, Van Morrison, and Bob Dylan when they were touring together. It was a lot of fun – multigenerational and exciting – and I just wanted to say that Bob Dylan turned 63 today, and the times are still a-changing, but I would suggest more rapidly, 40 years later, after that song was written.

Our generation is faced with the challenge of establishing enduring relationships between the global society and the ecosphere, as well as within the global society itself. The starting point is a very difficult one, with profound differences in people's living conditions within and between nations and a global population explosion from six to nine billion in the next 40 years. And yet, our unused social and technical potential imply great possibilities.

Quoting John Holmberg, a physicist, in his Ph.D. thesis, which became the underlying science for the system conditions for The Natural Step:
“Sustainable development is a huge mission which involves a profound transformation of the societal metabolism.”



During college and business school, I began to believe that companies could succeed and help solve the great problems we face as a planet. Now, 25 years later, I still believe. And I believe despite the fact that there is unspeakable despair for the 1.2 billion people who lack access to clean water and live in extreme poverty, plus the 2.8 billion people who make less than \$2 per day, and lack the resources for livelihood and healthcare.

And in response to Connie Wong's question about the consumer – the new, emerging, I guess, consumer class: nearly half of them live in the developing world, and that class is now believed to be 1.7 billion people. In 2002, China and the United States had roughly 245 million people in the consumer class. That represents 85% of our population, but only 20% of China's, which speaks to I think some of the points that Bob [Hormats] was making about this emerging change.

By 2015, industry analysts expect 150 million cars to be jamming China's streets. That's 18 million more than were driven on U.S. highways in 1999. Between 1960 and 1995, global consumption rose 2.5 times in minerals, 2.1 in metals, 2.3-fold in wood products, and 5.6 times in synthetics. This occurred despite a shift to service-oriented industries.

The global population is using up 1.3 Earth's worth of carrying capacity, with the richest 20% of the world consuming 86% of world production output. This is dominated by our consumption of oil, and by sheer math, China and India are catching up.

While this may be good news from a purely economic point of view, given the stresses to the carrying capacity of the Earth and human equity, we are clearly on a path of crisis. Dare to stand with me that the future is open, and transformation is possible.

I'll make three predictions that all portend hope. First, I will boldly say that by the end of this decade, the United States will resolve to move away from our dependency on fossil fuels. I think we've been contemplating this for decades, at least since the time that Rachel Carson wrote *A Silent Spring* in 1962 and began the next industrial revolution.

This revolution will create enormous investment opportunity with significant winners and significant losers. It will, as Churchill said, be "not the end, or the beginning of the end, but the end of the beginning, of this deadly juggernaut." The gestalt will occur because of the rise of our growing understanding – global warming, oil prices, our vulnerability to sources in the unstable areas of the world, and because of the developing world's consumption, will rival that of our voracious and growing needs and wants.

Second, the next wave of venture investing will be in water, minerals, clean and decentralized energy distribution, and imbedded intelligence to reduce process and resource waste. This trend has already begun, but has not been analyzed and understood yet as a whole system.

Third, the consumer class's consumption will pressure us to innovate to close the loop and move to cradle-to-cradle systems of design and production. And as Mark mentioned last night, if we don't do it, others will figure it out.

Dell published their first sustainability report this year. I predict that in five years, potentially Dell and companies like Dell will close the loop in product manufacturing and takeback, thereby addressing the over 500 million PCs ready for landfills today. I do think it will take longer than five years, however, to confront our use of the tens of thousands of chemicals in our daily products.

The least sustainable practice in the world is the continual process of warfare, and those places where poverty, lack of livelihood, young people with no hope, and ill health rule are where sustainability is under attack or nonexistent. We need a breakthrough in thinking, and we need to begin to pour our immense wealth into creating a sustainable world.

Today we have the fragmentation of developing knowledge, yet we also have the enormous possibility of collecting our collective pieces of wisdom and insight. Our technological gifts and prowess – whether it be in wireless, nanotechnology, the computational power of the grid, clean energy – will be judged by their prophetic possibilities. Whatever we can do, let us begin now, and at a minimum, it will help these predictions come true.

Thank you.