

David Schwerin, Ph.D. responds to interview questions from Peter Guan,

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Guan: We have been familiar with your work for a long time. It is my great honor to interview you. Thank you for giving us this chance. Our questions follow.

Why did you choose the title “Green is Golden” for the paper you presented at the International Conference on Socially Responsible Business (SRB) and Construction of a Harmonious Society in Tianjin China?

Schwerin: The word golden refers to something made of or related to gold. It connotes that which is prosperous, luxurious and highly valued. Gold medals are given to the first place winner. Gold is also the most valuable and easily traded commodity in the global market. Yet gold neither nourishes nor heals – two essential requirements for a healthy, productive life. Green on the other hand, is the color of nature, fertility, renewal and growth. It restores depleted energy and symbolizes harmony and well-being. It is the natural world that nurtures, invigorates and sustains us. Yet, too often a pristine ecosystem, one exhibiting clean air, pure water and fertile soil, is taken for granted and knowingly or unknowingly degraded. Thus the title, Green is Golden, is meant to show that our real wealth and well-being come from the green of nature rather than the gold of material objects. Moreover, individuals and businesses need to change their priorities, so that the vitality and sustainability of nature is placed ahead of short-term profits and the indiscriminate accumulation of material wealth.

Guan: For most entrepreneurs and businessmen social and ecological responsibility means increased investment. Do you think businesspeople will give up their demand for economic benefits for only moral responsibilities?

Schwerin: Initially, most businesspeople did not consider social and environmental responsibility of great importance. They considered these a cost to be avoided rather than an asset to be coveted. Yet many environmental expenditure actually reduce costs and, therefore, provide a fast, beneficial payback. There are many examples of how energy efficiency and waste minimization strategies have saved companies a great deal of money in a short period of time. [3M Company’s “pollution prevention pays” program](#), started in 1975, is a documented example of the economic advantages of being environmentally responsible to avoid the more costly expenditures incurred after a pollution problem is discovered. Some may assume no problems will occur or that they can hide their responsibility for environmental damage if it occurs but that is shortsighted and incorrect. Irresponsible environmental practices produce psychological costs: stress related illnesses – including death and disabilities. Unfortunately, connecting cause (immoral behavior) and effect (disease) are not always obvious.

Expenditures that lack a quick return are no different than investments in R & D or IT – the payback comes either in the form of long-term efficiencies, more plentiful natural resources and/or a cleaner,

healthier environment. Economic growth will be of little value if air is not breathable, water not drinkable and land not fertile. Reducing pollution lowers illness-related absenteeism, improves productivity and enhances a company's reputation. Employees feel better working for a company that cares for the environment and are, therefore, more committed and motivated.

So people who engage in irresponsible environmental practices pay a great cost while those who follow responsible actions gain significant advantages. My book, [*Conscious Globalism: What's wrong with the world and how to fix it*](#) (published in China by Social Sciences Academic Press) discusses in detail the benefits of expanding our understanding of self-interest to one that recognizes how everything is connected and, therefore, what we do for others we also do for ourselves and what we fail to do for others hurts us as well. In other words, social and environmental responsibility is in our self-interest.

Guan: For developing countries like China, how far do you think they are from accepting the idea that Green is Golden?

Schwerin: I have been to China numerous times but my last visit was a few years ago so my knowledge of China's most recent progress toward becoming more "Green" is based on the reporting of others. Many reports from NGOs and individuals who monitor China's environmental advances are quite encouraging. However, since economic growth took precedence over the ecological stewardship for many decades there are still many challenges that need to be addressed.

According to the China Daily newspaper the concept of an Ecological Civilization was proposed by Hu Jintao, general secretary of the Central Committee of the Communist Party of China (CPC), in his report to the 17th National Congress of the CPC. This concept reflects an important change in the Party's view of development. Rather than stressing economic development as it did in the past, the Party has come to understand that for development to be sustainable it must include the right relationship between man and nature, one that recognizes nature as an integral part of life rather than something to be exploited without restraint. I understand that the five year plan China released in 2012 states China's intention to provide more than \$315 billion in investment opportunities over the following five years for its energy-saving sector. China has also rightly understood that ecological balance can't be achieved unless disadvantaged social groups are able to enjoy the benefits of development. People living in poverty have little interest making sacrifices for the environment; their only priority is survival. They will catch all the fish they can, hunt endangered species when possible and use the cheapest heating and cooking fuel available.

I recently read that China has called for improved international cooperation to build a global ecological civilization and pledged to make its contribution based on the principle of "common but differentiated responsibilities." Chinese political adviser Yu Zhengsheng noted that a green and sustainable economy has become an inevitable trend in the world and countries need to join hands to address the same issue of "what kind of Earth we will leave for our children." While this is very encouraging, neither China nor the U.S. has fully addressed the greatest environmental challenge - global warming.

Since the United States and China are the world's biggest energy consumers and biggest greenhouse gas emitters they have the most to gain by cooperating on environmental issues. Both nations have similar energy and climate problems but different comparative advantages for addressing those problems. The

United States leads in cutting-edge clean energy innovation, and China leads in the rapid commercialization and deployment of those technologies. If U.S. and Chinese clean energy enterprises can have open access to each other's markets, that access will improve their ability to achieve economies of scale that will reduce costs. If both markets are competitive, that will give enterprises in both countries strong incentives to innovate which will lead to new technologies and new business models that should speed the transition to a clean energy economy. That would be good for U.S. and Chinese consumers, good for both economies, and good for the planet as a whole.

Guan: Do you agree with the view of many Chinese scholars who worry that a premature emphasis on ecological responsibilities will hinder the development of enterprises in developing countries?

Schwerin: I don't believe you can ever be premature when it comes to ecological responsibilities. If you don't take care of the environment, Mother Nature will impose a far steeper price on society in the near future. Globally there have been more frequent and violent hurricanes, tornadoes, floods and droughts. In addition, increased incidences of asthma, skin cancer, cholera, dysentery and many other illnesses can be traced directly to polluted air and water. That is why many in the business community have made sustainable business practices a high priority. A recent report by the Association of Chartered Certified Accountants, a global body for professional accountants with 154,000 members in 170 countries, stated that the loss of natural capital (the capital derived from natural resources such as biological diversity and ecosystems services) exposes companies to a range of risks that can impact profits, assets and cash flow. These include: reputational risk, operations disruption, scarce and rising cost of resources, supply chain interruption and insurance and financing risks.

I believe it is only because many don't see, or want to see, the essential and invaluable services provided by nature, that they continue to think and act in selfish, short-sighted ways. That is why a joint effort between the global environmental NGO, The Nature Conservancy, and Dow Chemical Company (DOW) may prove extremely valuable to governments, businesses and consumers alike. The partnership is focused on helping identify, value and measure the ecosystem's contribution to organizations and communities around the world. [They are working together to quantify the extent to which companies rely on and have an impact on nature.](#) This will help executives elevate the role of ecosystems to their proper importance. With this information, when plans for new products or services or plans for expansion and development are being contemplated, the needs of the environment can be given proper consideration. Tools, models and organizational experiences will be publicly shared, resulting in improved business practices and increased opportunities for sound investments in conservation.

We all want a more peaceful, sustainable and prosperous world. I believe our environmental challenges can act as an important catalyst for bringing people together and creating these highly desirable conditions.

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