Dear Reader:

The future implied by the book is as promising as the future portended by our increasingly unstable climate is desolate.

Movements of all sorts take time. That is true about the formation of a movement of climate-activists. It is equally true about the transformation of our engines of production from relics of “senile capitalism” to socially-conscious enterprises which fulfill new roles for the changing society in which they are embedded.

The time for such transformations, I fear, may be dwindling even more quickly than the world’s supply of oil.

Against that background we are seeing truly groundbreaking changes made by H-P, Toyota, Innovest Green Mountain Coffee Roasters and other enlightened companies which combine successful business practices with broad social concerns—through what Bruce Piasecki terms “social response product development.”

Those companies will reap substantial recognition for blazing the trail toward a new era of sustainability—one which will reconcile our appetite for innovative, life-enriching products with the requirements of our distressed planet. These companies seem, deliberately or not, to be adopting the first principle of history’s healers: (at least try to) Do No Harm.

If, through their own initiative, these companies prompt others to follow their lead—and truly embed social and environmental values into their design and production processes—they will clearly emerge as beacons of leadership in the coming, new economy.

But hindsight shows that good corporate behavior by itself isn’t always enough. In this case, I think, exemplary corporate conduct needs to progress into a more proactive posture of corporate leadership.

The guiding value of what Piasecki terms “senile” capitalism was profit maximization through raw competition. That was surely the dominant operating principle of business in the late 19th and early 20th Centuries. More recently, it spawned a wave of contempt for government and a profound suspicion of regulation. But I think that “socially responsive” capitalism requires a much more nuanced balance between competition and cooperation.

I recall private conversations with chief executives of several major oil companies a few years ago when evidence of man-made global warming had passed the point of debate. Many of these executives knew what was happening to our planet. But they felt every bit as trapped by their own competitive dynamics as low-wage workers. Several said in private that their companies were more than capable of phasing out of oil and into production of biofuels, solar panels, wind farms, tidal devices and other non-destructive energy sources. But, as one explained: “We need the governments of the world to regulate us into that transition.” As one CEO explained, “If I put too much investment into solar panels, my competitors will undercut me. My market share will shrink. I’ll be out of a job." The entire industry, they explained, must make this transition in lockstep, through some mechanism of regulation, so no one firm loses market share to the competition.

Ironically, the lesson which still seems generally beyond the comprehension of man corporate leaders is gaining a lot of adherents in the finance sector. Goldman Sachs recently called for regulations to limit carbon emissions. The Bank of America has agreed to meet the current Kyoto goals in its own operations. Swiss Re is threatening to withdraw D&O liability insurance from client companies that do not reduce their companies' carbon footprints.

My own speculation is that the players in finance sector feel more of a long-term paternalistic responsibility for the overall health of global capitalism than industrial production firms which are much more sensitive to short-term market gyrations and their own quarterly earnings reports.

That of course reflects a misconception of where real value lies—as Piasecki has demonstrated over the past 20 years. The theme that unites his five books is the intrinsic relationship, too often overlooked in business literature, between good business practices and environmental health and security.

Let me conclude this letter with a couple of quick observations about the climate and a couple of thoughts on corporate decisions that will weigh heavily on whether the global economy continues its remarkable history of expansion—or whether it is diverted into a downward spiral of contraction.

Even assuming that climate change continues to follow a gradual, linear course, it does not bode well for business. One reason is that climate impacts fall most heavily on developing countries because they cannot afford the infrastructures to buffer their lands and populations against increasingly severe floods, droughts, storms, outbreaks of disease and other impacts of an increasingly inflamed atmosphere.

At the same time, growing numbers of mature corporations have virtually saturated their markets in the U.S. and Europe. They look forward to expanding sales and operations in countries like India, China, Mexico, Nigeria and other developing economies. But that desired expansion will hit a wall in countries whose crops are destroyed by weather extremes, whose shorelines are overcome by rising sea levels and whose borders are overrun by environmental refugees. Purchasing power in developing countries will shrink dramatically. Markets will evaporate. And the imperative of economic growth will run up against the limits of the planet.

That pessimistic scenario assumes a gradual, linear increase in warming.

Unfortunately, scientists today are more concerned about the possibility of abrupt, non-linear changes—which are far more difficult for individuals and institutions to adapt to. The kinds of sudden, unexpected changes that come from our accidental trespassing of invisible natural thresholds are commonplace in the geological history of the planet's climate.

Even as Piasecki was putting the finishing touches on World, Inc., several major scientific reports warned that the climate is changing far more rapidly than scientists imagined even five years ago. Rajendra Pachauri, head of the Intergovernmental Panel on Climate Change, declared the world has about a 10 year window to make severe cuts in its use of coal and oil "if humanity is to survive." NASA scientist James Hansen echoed that concern at the end of 2005. An even gloomier forecast came from the famed British ecologist James Lovelock, who declared near the end of 2005 that "we have already passed the point of no return" beyond which we will be subject to the destructive impacts of runaway warming.

Is that cause for a deep pessimism? Absolutely.

Is it a reason to abandon the principle of social response design and engineering, "smart-growth" and "green-design" initiatives or closed-loop industrial processes? Not even close.

It is impossible to know what this world will look like in another 50 years. But there will be a world, however distorted. There will be societies, however disoriented. There will be a future that emerges from the present.

If that future is to be successful, the ideals that inform the most socially and environmentally responsive companies will move from the margins of conventional business wisdom to the center of economic principles. With luck and thoughtfulness, the dynamics of human commerce will be compatible with the dynamics of the natural world. And, with the requisite wisdom, we will also come to view the profound inequities that mark today's world as being as economically destructive as they are morally offensive.

As that world's economy continues to unfold, one can only hope it will reflect and build on some of the principles and practices articulated in this book. In a wonderful variety of ways, that would make this world a more secure, more equitable and ultimately a wealthier place for us all.

— Ross Gelbspan (April 2006)