

## **America's idea incubators: Seeding a revolution in capitalism**

**By Wayne Visser**

In this article I want to share insights from some of America's greatest 'meme-weavers' – pioneers of new thinking, who I have been fortunate enough to meet and talk to about the future sustainability of business and the world.

### **Joseph Stiglitz: Globalization Guru**

Let me begin with Nobel Prize winner in Economic Sciences and former World Bank Senior Vice-President and Chief Economist, [Joseph Stiglitz](#). I wanted to know his views on globalisation, which is a theme running through many of his books. It is clear that Stiglitz is sympathetic to the critics of globalisation. As he told me:

*We have learned how to temper capitalism – how to make the market economy work in the advancing industrial countries for most citizens – but we haven't learned how to temper globalisation. One of the paradoxes is that, while in principle everybody was supposed to be better off as a result of globalisation, in practice the opposition to globalisation rose from both the North and the South. There were some winners but there were a lot more losers.*

The problem with globalisation, according to Stiglitz, is not with the concept or the trend itself, but with the way globalisation has been managed. However, he is hopeful that change is possible:

*The most exciting developments are the result of the efforts of civil society. Before the Seattle riots, there was an enthusiasm that was not tempered by reality. As people started looking at what happened at the IMF and World Bank – failures of regulation of the global financial markets – there was a widespread recognition that something has not worked well. So understanding there is a problem is necessary before you're going to change.*

### **Stuart Hart: Capitalism Reformer**

Someone who shares concerns about the way the global economy has evolved is [Stuart Hart](#), author of *Capitalism at the Crossroads* and co-creator of the 'Bottom of the Pyramid' (BOP) model of doing business with the world's poor. He told me that:

*We haven't resolved the dark side of 19th century industrial capitalism. But I'm absolutely convinced that we're in the midst of the next transformation, to a sustainable form of capitalism that actually has the potential to solve social and environmental problems; to create wealth for everyone in the world and to take us more quickly to the next generation of potentially clean and sustainable technology.*

Interestingly, unlike many other authors who have written on capitalism, such as Naomi Klein, Hart focuses on the positive role that business can play. I asked him if that is justified, given their track record, to which he replied:

*I'm a pragmatist, in the sense that I try to assess where the leverage points are for change to occur most rapidly. We're headed rapidly for the cliff, so to speak. But there is also great potential to change quickly. What makes the world of commerce interesting is its ability to creatively destroy itself, to fall back on Joseph Schumpeter's term. We have a mechanism through which this change could unfold at the rate that it needs to in order to move us towards a sustainable world before it's too late.*

One way that Hart sees this happening is through the 'great convergence' of disruptive clean technology and innovation at the base of the pyramid, which is the focus on his newly established Enterprise for a Sustainable World.

### **Jeffrey Sachs: Poverty Wizard**

[Jeffrey Sachs](#), twice been named among *Time Magazine's* 100 most influential world leaders and author of books like *The End of Poverty* and *Common Wealth*, is similarly an optimist, but places less faith in the market and more in effective government policy and global collaboration. He told me:

*I love markets wherever they work, but markets don't work for everything. For cell phones, yes, you may be able to reach 40% penetration in Africa, and it's phenomenal; it's world-changing. But 40% penetration for immunisations won't do it. Business has scalability, information and management systems and it holds the technology. But if there's no market at the end for the public good that we need, then at a minimum we need a public-private partnership.*

Sachs concedes that 'we have to make a global transition to sustainable technologies', but is adamant that 'you can't leave technological transformation to market forces alone.' Sach has seen enough poverty not to be in denial, but his spirit remains indomitable:

*Every time I turn around – whether it's in India, China, Malaysia, or Tanzania – there's no shortage of reasons for optimism. What is the hardest part of all is managing change and having the understanding of how crucial and how fruitful cooperation can be right now. The problem isn't our lack of tools; the problem is our ability to manage all these wonderfully powerful tools that we have, to a human effect.*

### **Amory Lovins: Design Imagineer**

Another person who seems to relish 'wicked problems' is maverick engineer, [Amory Lovins](#), Founder and CEO of the Rocky Mountain Institute and co-author of books like *Factor Four* and *Natural Capitalism*. What makes Lovins happy is 'barrier-busting – turning into business opportunities each of the 60 to 80 well-known market failures to buying energy and resource efficiency'. He told me:

*We're talking not so much of technologies, as of design methods, or design mentality. Many of the new buildings we're designing use no, or negative, amounts of energy – they create more than they use. It's now perfectly normal to talk about tripled efficiency cars, heavy lorries and airplanes. United Technology has cut its energy intensity 45% in five years. DuPont cut its greenhouse gas emissions to 80% below 1990 levels, and made three billion dollars' profit on the deal. Efficiency is cheaper than fuel.*

I concluded my conversation with Lovins by asking what gives him hope, to which he replied:

*Three things stand out. One is the rapid rise of awareness and leadership in the private sector and the corresponding awakening of civil society, empowered by the emerging global central nervous system. Secondly, I'm encouraged by the fact that brains are evenly distributed – one per person – and as far as we know, there's nothing in the universe so powerful as six billion minds wrapping around a problem. And third, I'm very encouraged by the quality of the young people I see. They realise there is less time and they need to get on with it. So I think the future is in pretty good hands.*

### **Postscript**

These and many other interviews with sustainability thought-leaders from around the world are covered in more depth in [The Quest for Sustainable Business](http://www.waynevisser.com/videos), and featured as videos on <http://www.waynevisser.com/videos>.

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