

Time for Some New Rules?

C. Uhl

The problems of modern life--poverty, injustice, violence, environmental degradation--are, to a significant degree, the result of our rules. Logically, if we want a different future--a just, peaceful and sustainable world--we will need to create new rules.

David Morris offers examples of the kinds of "New Rules" that we need in his magazine, *The New Rules* (www.newrules.org):

- Rather than having rules requiring that our industrial smokestacks be placed high above ground (to assure that polluting emissions are carried to other areas), what would happen if we required that the stacks be lowered and stuck into the front window of the executive suites of the company owners? Answer: design engineers would quickly develop zero-emission production technologies. We already have the know-how to do this.
- Or what if our economy rewarded the highest "internalized" cost? In other words, what if we changed the *rules* so that the businesses which thrived were those which included social and environmental costs (normally externalized) in their prices and which exceeded regulatory standards.
- Or why not, as Paul Hawken suggests in his book, *The Ecology of Commerce*, turn the tax system upside down? The existing system taxes incomes, profits, sales, payrolls, and savings. In doing so it discourages the very elements we claim to value in a healthy economy: jobs, savings, new investment, and entrepreneurial initiative. This system could be turned upside down by creating "New Rules" which place most, if not all, of the taxes presently derived from "goods" to "bads,"--e.g., from income and payroll taxes to taxes on pollution, environmental degradation, and consumption of nonrenewable energy resources.
- Finally, how about holding corporations publicly accountable to society (not just to stockholders). At present, corporate officers can be sued by shareholders if they do not put profits first, but society gives corporations charters because we expect them, first and foremost, to serve a broader public purpose. New rules are needed to ensure that corporate annual reports are more than just an accounting to stockholders. These reports should specify costs and benefits to other key stakeholders--namely: employees, customers, local communities, and society at large. Specifically, the reports should detail progress (or lack thereof) on issues such as employee retention, hiring and promotion of women and minorities, greenhouse gas reductions, and hazardous waste elimination.

The "New Rules" approach could be combined with a "Community Bill of Rights", a concept proposed by Alex Shuman in his book, Going Local. A Community Bill of Rights elucidates the characteristics of community-friendly enterprises. These characteristics might include such things as unionized workforce with decision-making power, low salary differential between highest and lowest paid employee, minimal discharge of pollutants and wastes, significant percentage of ownership in the hands of community residents, and good environmental record (e.g., no fines, lawsuits, complaints). In cases where enterprises perform well, Shuman suggests that a citizen board might award "Good Community Keeper" seals of approval.

Sweden is now in the process of organizing itself around "New Rules" based on environmental sustainability. This makes sense. After all, it is the environment that ultimately makes the rules. By respecting a limited number of basic conditions (e.g., not drawing down the stocks of natural resources such as forests or groundwater more rapidly than these stocks are replenished through natural processes), it is possible for nature to provide the basic resources humans need to live--healthy soil, fresh air, a stable climate, clean water, and so on.

Recently, The Natural Step consensus statement, in the form of a booklet together with a video cassette, was sent to all 4.3 million households in Sweden. This Natural Step approach is powerful because it offers a shared mental model of the conditions necessary for sustainability. This stimulates creativity because people can engage in a much smarter dialogue if they have a shared framework for their goals.

Paul Hawken has recently brought The Natural Step to the U.S. (www.naturalstep.org). For Central Pennsylvania--a region increasingly threatened with poorly conceived, and ultimately counterproductive, "growth" initiatives--the "New Rules" concept along with bold new initiatives, such as The Natural Step and the Community Bill of Rights, offer new political and conceptual tools for exercising ecological and social responsibility.