The Concept of “Sustainability” and its Impact on Doing Business

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The Effect of Cultural Values

The Example of the U.S. & Germany

“A sustainability” and “sustainable development” on this planet have been buzzwords for decades, and the calls for visions that can fill these terms with life have become increasingly urgent. Elaborate models and countless publications, UN resolutions, business plans, and marketing strategies have all evolved, with the underlying implicit assumption being that the interpretation of sustainability is culturally universal. Thus, complex multi-regional scenarios have been created that mostly reflect a positivistic and deterministic approach to science, society, ecology, and economics.

However, cultural values necessarily permeate the concept of sustainability in many ways.

As a cultural consultant, one of us has worked with many people, businesses, and other institutions, both individually and in group settings. This work has mostly been focused on creating cultural competence and raising awareness regarding the enormous impact that cultural and moral values have on our decision-making, on perceptions, on forming values, on creating change and ultimately on business success. The other one of us has been working as an energy systems planning specialist in many regions of the U.S. over the past several decades. This work has illustrated how U.S. culture tends to overemphasize short-run thinking in planning their energy system, in spite of its obvious and continued unsustainability. For example, most institutions involved in energy system planning strongly stress the negative implications of short-run price impacts of renewable energy on consumers, rather than its long-run sustainability and social and environmental benefits.

Following is a simple example that illustrates how cultural differences between the U.S. and Germany manifest themselves in a single fairly trivial aspect of sustainability. The model of the U.S. interpretation of a “natural” product looks like this:

The toothpaste comes like it always used to: packaged in a carton box. The difference in the age of sustainability: the box is now made of recycled cardboard whereas it used to be made out of non-recycled materials.

The German interpretation of the model looks like this:

The outer package has been removed altogether, since it has no real use.

What does this example have to do with cultural interpretations of sustainability? In the case of the U.S., sustainability is frequently understood as the attempt to replace one energy source with another – or one cardboard box with another - made in a different way with a different technology. While acknowledging that resources must be saved, the major focus is on finding alternatives that will not require significant changes in behaviors or systems.

Historically, the value system of the U.S. was built on the conviction that resources are almost infinite. When the first settlers arrived in the U.S., they experienced an abundance of resources after leaving a Europe that had suffered from famines, wars and other events that resulted in a scarcity of resources. Throughout the 19th century, immi-
grants to America were often seeking to escape from conditions of hunger and famine. Even when resources became limited in one area in the New World, the Westward Expansion promised more and better access to the good life. These initial experiences left a deep mark on the collective U.S. soul. One key impression created was that the concept of saving and conserving had been associated with poverty, and, thus, was considered to be a relic of the Old World that everybody wanted to leave behind. The European concept of the collective sharing of limited resources, brought by immigrants, was soon replaced by the U.S. concept involving little need for competition for resources, and no need for careful conservation to save them for the future. This attitude is reflected in U.S. policy up to the present, and it results in the U.S. using a disproportionate share of the world’s resources.

On a cultural value level, the perceived abundance of resources equals freedom, both personally and collectively: freedom from government that would create resource restrictions and limits on personal freedom to pursue an individual’s happiness, all encouraged by the belief that natural resources should be almost free for everyone to take when desired.

Today, as it was 40 years ago, energy independence is one of the core topics in U.S. society, largely because it is understood as an aspect of personal, national and cultural freedom. Yet, energy independence does not necessarily mean that energy should be saved or conserved for future U.S. generations. What it does imply, though, is that freedom and independence comes with securing resources for oneself, without considering other countries, or even your neighbor next door. “Don’t tell me what to do!” seems to be the modus operandi on which U.S. culture is based, and which strongly influences U.S. feelings about sustainability.

Most Americans in the U.S. also seem to feel a strong state of relative deprivation when their lifestyle is compared to that of richer neighbors. This translates into fierce competition to acquire more wealth, and results in a broad acceptance of social and wealth inequality.

In contrast, a more systemic and process-oriented approach that would include the saving and more efficient use of resources typically plays a secondary role in U.S. discussions of sustainable energy policies. This “conservative” approach simply does not reflect a short-term and goal-oriented culture like the U.S.’s. In addition, a longer-term process-oriented approach requires greater deductive thinking and analytical problem solving. That, too, is not as much a part of the U.S. culture as it is of German culture. So how can a new vision be developed and applied to sustainability in the U.S. context, and what would the content of that vision be? What cultural components do we need to combine to create a truly American capability to energize and motivate the U.S. to change?

In German culture energy independence is not ideologically linked to personal freedom and the pursuit of happiness. The German interpretation of sustainability is entirely different. A culture that has been used to a scarcity of resources for millennia has acquired cop-
So what are the implications of the above issues for future discussions of sustainability between Germany and the U.S.?

• German companies are heavily engaged in the renewable energy industry. Mid-size German companies are entering the U.S. market and often do not understand that communicating a big picture is more important than the detailed processes that led to the product that they want to sell. What is the vision behind the product? How can it cater to the strong individualism and mistrust of government initiatives in U.S. culture? And finally, how can sustainable products be successful in a society that does not believe in a collective and equitable distribution of resources?

• Likewise, U.S. companies that do business with German companies in the field of renewable energy will have to do their homework more carefully, particularly with regard to different definitions of freedom, time- and process-orientation. As deceptive as it may be, Germany’s economic system is not purely a capitalist one: it officially follows the principles of the “social market”, and, as such, contains many regulations as efficient governing tools, along with a strong process-orientation and the protection of the weakest as core values.

• The different national approaches to sustainability require different strategies of implementation. It might be worthwhile to explore how the strengths of the U.S., such as entrepreneurship, risk-taking, but also giving back to the community, could help a sustainable future in the U.S. move forward. What does it take to spark such motivation? What kind of personal and collective incentives are necessary? Can there be a bottom-up implementation of sustainable development as opposed to the top-down approach of Germany?

• There are many interesting and important implications of cultural differences between Germany and the U.S. for the economic growth debate. When comparing Germany and the U.S., it is clear that the German perspective on community and distributional justice is compatible with a low growth, or no growth emphasis, whereas U.S. culture clearly stresses the need for growth more strongly. This is because most Americans in the U.S. are convinced that economic growth is good for them as individuals, even if it affects the community and other individuals in a negative way. The growth issue, too, has important implications when U.S. and German companies do business together, particularly in the renewable energy industry: emphasizing long-term goals and regulated processes just doesn’t fly as well with U.S. companies as it does with German companies. Likewise, German companies are very reluctant to buy into short-term corporate growth if it compromises the long-term quality of a product, and, therefore, the long-run reputation of the company.

In conclusion, cultural values will have to be an integral part of the vision for sustainability for each region of the world, especially when doing business in industries that want to foster sustainability. During our work, we have often experienced a sense that assuming a universal definition of sustainable development was not viable. Success has to start with a dialogue that explores differences in cultural values, and, thus, the potential to create synergies between different cultures.