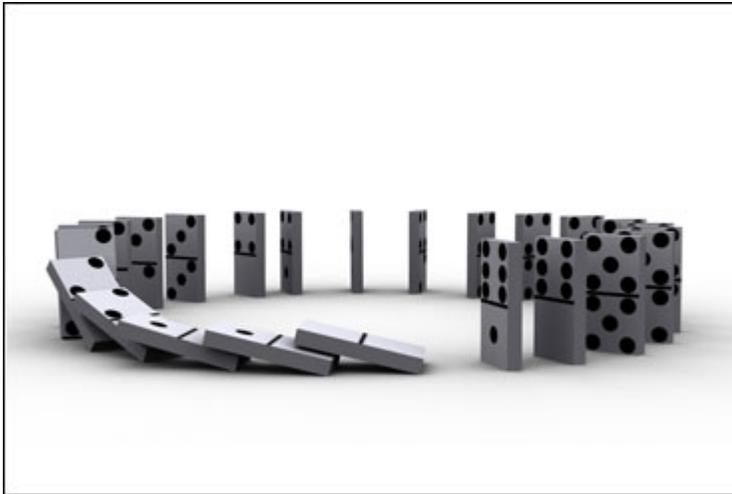


A Tipping Point?

A tipping point happens when a critical mass of people begin to shift their perception of an issue and take action in a new direction.

Upon returning from the summer break and reflecting on the world going forward, I feel we have come to a tipping point in the way the world is being perceived. This tipping point brings with it a number of realizations and transformations:



The **first** is a realization that the world is finite and that a growing population with a higher ambition for living standards will inevitably lead to a world which will be resource and carbon constrained. The reaction to this is a push for green solutions – green cities, green transport, clean technologies, low-carbon energy solutions, adaptation to climate change, eco-efficient use of natural

resources (like fresh water), just to mention a few.

The **second** transformation is a realization that to solve the challenges for this future world we need systems solutions. We cannot solve individual problems in silos. The connections between energy, climate change, water, food, urban infrastructure and the imperative of functioning ecosystems are very clear.

A **third** transformation is the realization that no part of society can solve this on its own. Governments lack the control of technology, financial resources and management skills to build a sustainable world on their own and so does business. There is a growing interest from government for new types of public-private partnerships to jointly find the solutions to these issues where the skills and resources of the private sector are combined with the legislative and regulatory power of governments. The Mexican Dialogues (a joint effort by the Mexican government, the WBCSD and the International Chamber of Commerce) on climate change are examples of this. The same message was heard last week at the Stockholm Water Week where business, led by WBCSD, was for the first time seen as a crucial part of the solution to the water problem.

A **fourth** transformation relates to the coming generations. Lately, I have been involved with academic education at business schools. It is striking that we are now sending out a generation which will be active for the next 40 years with basically no education as to what the future resource-constrained and pollution-constrained world is going to look like and what will need to change in order to have a sustainable future. I now see a

groundswell of interest from academic institutions to pick up on this and I feel that the WBCSD has more intellectual capital to put to use than any other organization.

A **fifth** transformation relates to the shift in political and economic power towards Asia. Late August, I spent a week in Australia and was struck by the change in debate regarding the new Asia. The combination of Japan and South Korea as industrialized nations with ambitions to take an active part in the Green Race, together with the growing economies of China, India and Indonesia among others, will be an enormous power house going forward. At the same time as Asia is in a fast economic growth pattern, we have the challenges for the U.S. and Western Europe in the aftermath of the financial crisis.

Vision 2050

The Vision 2050 report could not be timelier. I am experiencing a very strong interest in the WBCSD's views and conclusions of this project as a platform for reflecting on the next four decades to 2050. Other organizations, such as the OECD with its Green Growth Initiative, UNEP with the Green Economy project, the G8's The Economics of Ecosystems and Biodiversity (TEEB), and other similar initiatives, are developing their thinking along the same lines. However, I believe that we are ahead of the curve with our Vision 2050 report and I can see very strong synergies with other parts of society in making full use of this. As a follow up to Vision 2050 work, there are three topics which have been identified as priorities for business:

The first is the issue around innovation, not the least on technology.

The second relates to lifestyles and consumption patterns. A message from Vision 2050 is that in order to have a sustainable world we must look at how we can reduce our ecological footprint while maintaining a high quality of life. I see a strong interest from consumer goods companies to develop their thinking around these issues.

And the third priority is what we at the WBCSD have called *People Matter*. How do we educate and develop the people skills necessary to build a sustainable world? It relates to what I said about academic education.

The Way Forward

The nature of a tipping point is that change happens quickly. And my feeling today is that the transformation to a resource-efficient, low-carbon world might come much faster than I have assumed. A tremendous number of barriers to change are still present, but the mind shift that I now see in different parts of the world make me more optimistic that the transformation will be quicker and more radical than expected.

The challenge that this will bring is that there will be very clear winners and losers in this process, and those that are slow in getting into the Green Race will find themselves at a

disadvantage in offering products and services to a market that will demand low resource use and limited pollution.

It also seems inevitable that a push for adaptation to a constrained world will be stronger. It is likely that availability and cost for water and food will be main drivers in this process as will the push for efficient urban infrastructure, buildings and transportation systems.