

COMMUNITIES:

# CITIZENS OF SUSTAINABILITY

For years, advocates of sustainable corporate practices have focused on green marketing. They have documented a growing segment of consumers with so-called green values and have created high-value products that appeal to these consumers. This strategy has catapulted Whole Foods into a leadership role in retail food and has perhaps inspired Wal-Mart to follow its lead. Over the next decade, though, these green consumers are likely to turn into “sustainable citizens,” as do-it-yourself attitudes, smart-networking skills, and a focus on personal and community health converge.

## SUSTAINABILITY ATTITUDES:

### PERSONAL HEALTH, COMMUNITY STRENGTH

The underlying dilemma of sustainability is the tragedy of the commons: what seems rational for individuals adds up to a situation where everyone is worse off. A fundamental principle of cooperative strategy suggests a way to escape this dilemma: link personal self-interest to the good of the larger community.

In fact, personal health is emerging as that critical link. The 2006 Ten-Year Forecast Signals Survey points to a new “sustainable citizen” who sees local civic actions—as well as green consumerism—as part of a healthy lifestyle. Supporting local farmers, buying locally made products, and engaging in projects to improve the health of the community are all healthy living strategies for this person. For the sustainable citizen, working on personal health contributes to the overall health of the community.

How many sustainable citizens are out there? It appears that about half of all adults in the United States, across all income and ethnic groups, already qualify.

## GLOBAL SUSTAINABILITY: VARIATIONS ON A THEME

Often thought of as a rich nation’s issue, sustainability is increasingly linked to personal health concerns—and local community practices—in some of the poorest and most environmentally troubling places on the planet. Over the coming decade, this connection will drive a wide range of community strategies, from local knowledge networks to so-called regenerative commerce that links spending to personal values and concerns.

In China, India, and Russia, IFTF ethnographic research suggests that, as a result of the Internet and other media, families are more aware than ever of the effects of environmental change on their health. In Russia, some affluent families try to grow all their own food to avoid environmental contaminants. A Chinese blog post on “poisonous street foods” drew over 670,000 viewers in just a few days, while China is already the third-largest source of organic foods worldwide.

Meanwhile, the slums of the world’s emerging megacities are becoming a hot bed of local commercial innovation, using distributed lightweight infrastructures and cooperative strategies to build sustainable local economic development as a basic survival strategy.

## SUSTAINABILITY SKILLS: A NEW CIVIC LITERACY

Indeed, lightweight infrastructures and cooperative strategies are forging a new sustainability toolkit for communities worldwide. In the United States, sustainable citizens are already beginning to adopt new skills in smart networking and collective behavior, according to our survey. They are also likely to be do-it-yourselfers: self-motivated, self-educated, and self-organizing. And this combination of skills—invoked in a renewed commitment to sustainable local communities and motivated by personal health concerns—will begin to define a new civic literacy over the next decade.

—Kathi Vian & Mani Pande



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**MONICA MULLINS**

has a background in social services and workplace safety and is now Vice President of Asset Production, Safety and Compliance for Wal-Mart's Logistics Division.



In 2006, Wal-Mart announced a major initiative to pursue a sustainable business strategy, asking all its suppliers to align themselves with the effort. Monica Mullins serves as the spokesperson for its business sustainability initiatives. IFTF's Bob Johansen talked to Monica about the changes she's seeing at Wal-Mart as it adapts to a global sustainability effort.

**Q: WHAT INSPIRED WAL-MART TO UNDERTAKE ITS NEW SUSTAINABILITY EFFORT? AS I UNDERSTAND IT, YOU LOOKED 20 YEARS AHEAD AND BASICALLY DIDN'T LIKE WHAT YOU SAW AND ENDED UP CHANGING YOUR STRATEGY.**

I think there were several things going on a few years ago. Rob Walton, who's our Chairman of the Board, had a personal relationship Peter Seligmann. Peter was the co-founder and CEO of Conservation International. In the course of traveling together, Peter said to Rob, "You know, there's really a lot that your company could do to positively impact the environment." He was suggesting to Rob that Wal-Mart really could be a driver of great change.

So Rob introduced our CEO, Lee Scott, to Peter and others from Conservation International, and they all sat down together to share the impact of various industries on the environment. And it was obvious that, with the size of our company and the size of our supply chain—66,000-plus vendors over 4,000 locations across the United States and abroad—we are positioned in a unique way to really have an impact on this thing called "environmental sustainability."

After Hurricane Katrina, Lee Scott once again recognized our ability to change Americans lives for the better. We worked with government agencies and local communities to provide help and relief to those affected by the hurricane. Lee helped us transfer this line of thinking into our daily business practices. We set out to use our resources and size to make this world a better place for our associates, customers, and future generations.

At the same time, we have seen that there are business benefits to doing things in a more environmentally friendly way. There are certainly benefits to the consumer, which is what Wal-Mart's all about. It quickly became apparent that Lee was very serious, that this was not going to be a flavor of the day.

**Q: DO YOU SENSE A SHIFT IN THE VALUES OF YOUR SHOPPERS? ARE WE REACHING A KIND OF TIPPING POINT WHERE CONSUMERS WILL EXPECT COMPANIES TO ACT IN WAYS THAT ARE RESPECTFUL OF THE ENVIRONMENT?**

Our organic offering continues to grow. The shelf space is definitely expanding. But something that's different about our approach is that we haven't sacrificed the everyday low price. We really are trying to lead what we call the democratization of sustainability. You don't need to be wealthy or elite to buy sustainable products. And that's what we're trying to do—to afford all customers, regardless of their economic status, the ability to take advantage of products that keep the environment in mind. They're affordable, and oh, by the way, they're good for the environment. Wal-Mart has the power, with the partnerships with our suppliers, to make things like that affordable to everyday Americans. And not just Americans. We can do it for people around the world.

I also think consumers are concerned about the environment. And in today's corporate environment, I think there are greater expectations of companies—not only that we operate our businesses ethically and with integrity but also that we're good environmental stewards in the process.

**Q: IN THE SIGNALS SURVEY, WE FOUND THAT THERE ARE TWO FACTORS THAT COME TOGETHER TO DEFINE A SUSTAINABLE CITIZEN INDEX. THE FIRST FACTOR IS AROUND PERSONAL CARE AND CONCERN ABOUT HEALTH. THE SECOND FACTOR IS RELATED TO IMPACTS ON LOCAL COMMUNITIES—BEHAVIORS LIKE SUPPORTING LOCAL FARMERS AND RECYCLING AND THINGS LIKE THAT. IS PART OF YOUR SUSTAINABILITY EFFORT FOCUSED ON COMMUNITIES?**

You're probably familiar with our "store of the community" initiatives, where we really try to make the store fit the neighborhood, not only externally in the building—the way the building looks—but also the product selection. We try to make sure it really fits the demographics of the local community, whether it's economic or a certain ethnic group. And we do encourage the purchase of produce and other products from local vendors.

So your index marries really nicely with our "store of the community" efforts. It's really a goal of Wal-Mart to have every store in the company reflect the community it's in, whether that's buying from the local farmers or



## **BOB JOHANSEN**

**has been a forecaster for more than 30 years. He is a social scientist, an IFTF Distinguished Fellow, and author of the forthcoming book, *Get There Early*.**

**WHAT WE REALLY ARE TRYING TO LEAD IS THE DEMOCRATIZATION OF SUSTAINABILITY.**

**YOU DON'T NEED TO BE WEALTHY OR ELITE TO BUY SUSTAINABLE PRODUCTS.**

the local organic farmer or a local vendor. But we do have some sustainability standards now as we work with our vendors. We really encourage vendors of any size to look at the way they manage their business and ask: is there something they could do differently from an environmental-sustainability or business-sustainability perspective that would contribute to our efforts as a company?

**Q: I KNOW YOUR RELATIONSHIP WITH COMMUNITIES HAS BEEN A SORE SPOT IN THE PAST. AND I'VE HEARD THE TERM "GREEN-WASHING" USED TO DESCRIBE YOUR EFFORT. ARE PEOPLE REALLY TAKING YOU SERIOUSLY YET?**

I think it's something that we have to address. But there are a lot of things we do for communities, not the least of which is the number of jobs that we bring to the communities. We're not afraid to go into the metro areas where businesses have left. I think Chicago is a great example, where a factory had been there once and it's very economically depressed and a number of other businesses now have come into this area of Chicago. We pay a very competitive wage. We have very good benefits.

And it's very, very important to us to have a good relationship with the community. We really do want to do well by the community and bring jobs and offer men and women opportunities that they may not have had otherwise. I mean, my own personal story is a good example. When I came to the company, I would never have guessed that I would have the opportunities that I have. I started in February 1998 as a field manager. I was in the company's risk-control department. After about six months, I came into Bentonville and was promoted through the department over the course of a few years. Then I was promoted last December to Vice President. So, I mean, I've just had a wonderful career with this company. And it's a really exciting time to be here.

**Q: YOU'RE VICE PRESIDENT OF THE GLOBAL LOGISTICS NETWORK. HOW HAVE YOUR ROLE AND THAT NETWORK EVOLVED AS A RESULT OF THE SUSTAINABILITY INITIATIVE?**

The logistics network has grown over the last couple years beyond our fleet and beyond our domestic U.S. distribution centers to include the supply chain, to put more emphasis on the operations of our buildings, the construction of our buildings, and on the cargo initiatives. Our organizational goals and the goals of our network had to be much broader because we have these huge distribution centers that we're building, just as the stores division has the green stores. And the important question was: How do we build the green distribution center? We needed the knowledge of a lot of people, so many of the folks in the logistics network are involved in other networks as well. They might be involved in the waste reduction network. They may be involved in the packaging network. They may be involved in the China network. That's the beauty of the network.

**Q: SO YOU ACTUALLY CALL THOSE NETWORKS RATHER THAN ORGANIZATIONS?**

Right. That was the whole goal of introducing the sustainable value networks. They were developed to represent not only people from a certain part of Wal-Mart but also people from other areas of the company as well as NGOs, the academic community, suppliers, and so on.

**Q: JUST THE LANGUAGE YOU'RE USING SUGGESTS A VERY DIFFERENT APPROACH. IT'S NETWORK LANGUAGE AS COMPARED TO HIERARCHICAL LANGUAGE. ARE YOU INCREASINGLY FUNCTIONING LIKE A NETWORK? THERE IS STILL A HIERARCHY, I SUSPECT, BUT IT SOUNDS LIKE IT'S A MORE FLEXIBLE HIERARCHY.**

I don't want to give false impressions. In a company our size, there are going to be silos. But it's much, much easier to penetrate those silos or to partner with people in other organizations. You know, if sustainability has taught us anything, it's that we need to work together. And that's the only way that we will be successful not only amongst ourselves and between other departments and other divisions within the company, but outside as well. We need to welcome feedback and suggestions and criticism from our supplier partners, our NGOs, the government, academics, all of them. ➤

**THE IFTF SUSTAINABLE CITIZEN INDEX**

The IFTF Sustainable Citizen Index was created using data gathered in our 2006 Ten-Year Forecast Signals Survey, sampling sustainability behaviors of 2,002 respondents, age 18–74. It identifies a key set of sustainability behaviors and measures how widespread these behaviors are in the survey population—and by extension, in American society.

We were particularly interested to see if there is a relationship between personal health and well-being practices, on one hand, and community and environmental practices, on the other. In short, are so-called health-economy consumers also candidates for sustainable citizenship? Are they perhaps even the lead indicators of a renewed civic democracy?

When we did a factor analysis to identify the key components of what we were calling “sustainable citizenry,” these two factors did, in fact, emerge as the defining factors. Both reveal a broad definition of health, and both show links between health and environment. But one is much more focused on local community, with a more public or civic face, while the other reveals a more personal face. We call these two factors Healthy Communities and Personal Care.

**THE FACTORS THAT DEFINE THE SUSTAINABLE CITIZEN**

<b>FACTOR 1: HEALTHY COMMUNITIES</b>	<b>FACTOR 2: PERSONAL CARE</b>
<ul style="list-style-type: none"> <li>• Use public transportation to reduce carbon emissions</li> <li>• Buy locally made products to reduce long-distance transport impacts</li> <li>• Participate in projects to improve overall health of the local community</li> <li>• Support local farmers</li> <li>• Recycle and buy recycled goods as part of a healthy lifestyle</li> <li>• Buy products that promise lower environmental impact as part of a healthy lifestyle</li> <li>• Buy products that have not been tested on animals as part of a healthy lifestyle</li> <li>• Consider health benefits when buying food, clothing, cleaning products, beauty products, electronic devices, household appliances, cars, vacations, and home furnishings</li> <li>• Eat organic food</li> </ul>	<ul style="list-style-type: none"> <li>• Buy products to improve skin, create a healthy environment at home, improve physical fitness, filter air and water</li> <li>• Include homeopathy, complementary or alternative medicine, dieting or other weight-loss strategy, massages in “healthy lifestyle”</li> <li>• Recycle and buy recycled products as part of a healthy lifestyle</li> <li>• Buy products that promise lower environmental impact as part of a healthy lifestyle</li> <li>• Buy products that are not tested on animals as part of a healthy lifestyle</li> <li>• Consider health benefits when buying food, clothing, cleaning products, beauty products, electronic devices, household appliances, cars, vacations, and home furnishings</li> </ul> <p><b>But don't:</b></p> <ul style="list-style-type: none"> <li>• Buy locally made products to reduce transport impacts</li> <li>• Use public transportation to reduce carbon emissions</li> </ul>
<p><b>FACTOR 1</b> is a measure of the extent to which taking care of the local community and environment is part of a healthy lifestyle. This factor reflects a broad definition of health and a distinctly civic-minded orientation.</p>	<p><b>FACTOR 2</b> is a measure of the extent to which personal care choices are part of a healthy lifestyle. Note that even for this personally focused factor, environmental concerns figure strongly into the definition of healthy practices.</p>

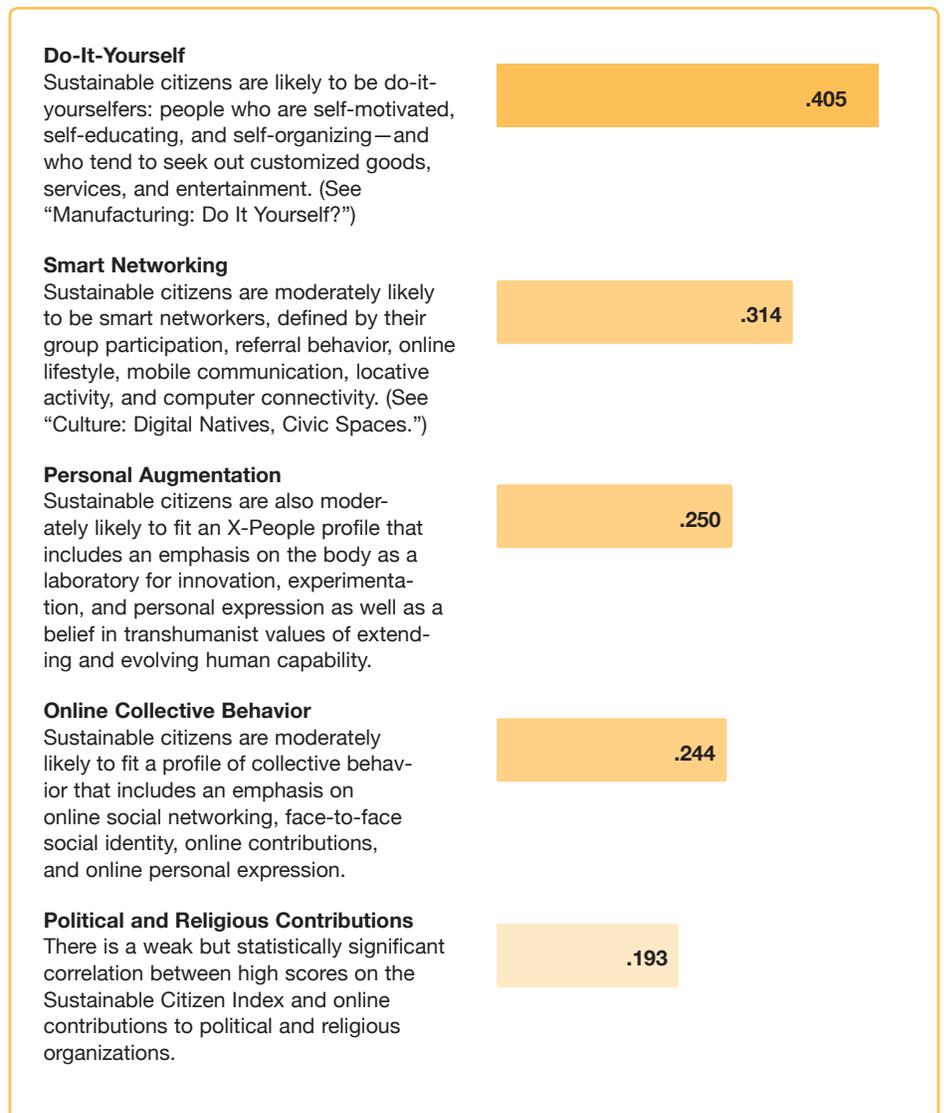
## WHAT WE KNOW ABOUT SUSTAINABLE CITIZENS

Sustainable citizens cross all age groups, all income levels, and all education levels. But they are almost twice as likely to be women as men.

In addition, sustainable citizens are more likely to have other distinctive profiles. For example, they are more likely to be do-it-yourselfers, to have smart networking skills, to engage in online collective behavior, and to have what we call X-People values: an interest in extending the capacity of the human body and mind beyond current limits.

Finally, sustainable citizens may be more likely to put their money where their mouth is through online political and religious contributions.

## 2 THE CORRELATION PROFILE FOR SUSTAINABLE CITIZENS



Source: 2006 Ten-Year Forecast Signals Survey

## WHAT THE CORRELATIONS MEAN

Correlation coefficients measure the linear relationship between two variables. The correlation coefficient may be any value between plus and minus one.

Correlations may be positive or negative. A positive correlation means that, as one variable increases or decreases, so does the other—for example, the more you eat, the more weight you gain. A negative correlation coefficient indicates that as one variable increases, the other decreases.

## 3 KEY TO CORRELATIONS

	<b>Greater than ±.4</b> a strong correlation
	<b>±.2 to ±.4</b> a moderate correlation
	<b>Less than ±.2</b> a weak correlation
	<b>0</b> no correlation

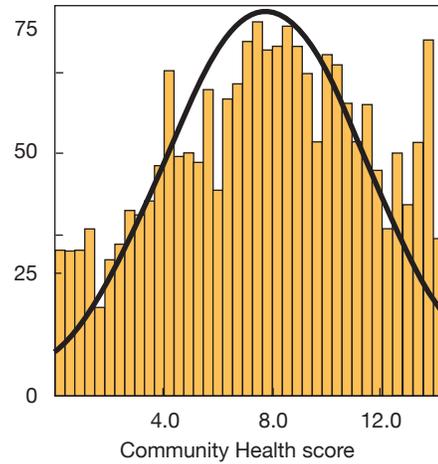
## CITIZENS OF SUSTAINABILITY ARE MAINSTREAM IN THE UNITED STATES

Using the Sustainable Citizen Index, we scored all the participants in the survey. The scores give us a picture of the distribution of sustainable citizens in the overall population. If we look at this picture, we see a nearly bell-shaped curve, which statisticians call “normal.” This means that today, in the United States, sustainable citizens are already nearly mainstream.

As the population ages and health becomes a growing concern, the link between personal health and community health is likely to grow, pushing more people to the high-scoring side of the distribution. And as the environment deteriorates in the face of increased urbanization, global health threats, and potentially rapid climate change, the link between personal health and local environmental concerns is likely to grow as well. End result? More sustainable citizens in the future.

## 4 DISTRIBUTION OF COMMUNITY HEALTH SCORES

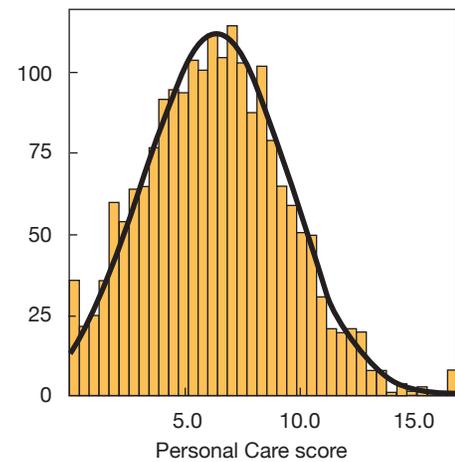
Number of people



Source: 2006 Ten-Year Forecast Signals Survey

## 5 DISTRIBUTION OF PERSONAL CARE SCORES

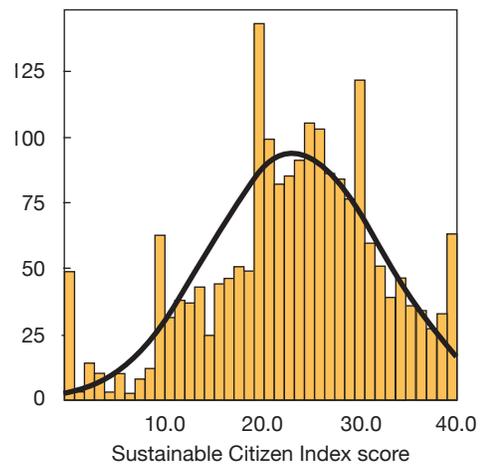
Number of people



Source: 2006 Ten-Year Forecast Signals Survey

## 6 DISTRIBUTION OF SUSTAINABLE CITIZENS

Number of people



Source: 2006 Ten-Year Forecast Signals Survey

## GLOBAL VIEWPOINTS: SUSTAINABILITY AROUND THE WORLD

Global development and environmental sustainability are often seen at odds—and with good reason. If householders in India and China, for example, were to reach economic parity with U.S. householders—and spend their incomes in roughly the same way—their demand for everything from automobiles and fuel to food and even paper products would far out-distance today's total world production of these goods. And the impact on the environment would be staggering.

Furthermore, the rapid urbanization of the entire developing world is producing a surge in slums. Already 1 billion people around the world are slum dwellers; by 2050, the number is likely to reach one-third of the world's population. As Mike Davis, author of *Planet of Slums* points out, we have created “a global social class of at least 1 billion urban dwellers, radically and permanently disconnected from the formal world economy.”

Yet precisely because they are disconnected, these same urban dwellers are engaged in some of the boldest experiments in sustainability—economic, environmental, and personal. These experiments all share a common theme: the reliance on distributed systems of ad hoc infrastructures and bottom-up economic innovations that may well disrupt the traditional economies and middle-class growth around them while giving birth to radically new forms of civic organization.

## 7 GLOBAL SUSTAINABILITY EXPERIMENTS

### DO-IT-YOURSELF RECYCLING ECONOMIES

The 13th Compound of the Dharavi slum has been well documented as a “free economic zone” where the waste of Mumbai is recycled into goods worth a half billion dollars or more per year. The work of remaking tin, plastic, and even soap into new goods certainly creates its own environmental effluent; yet the self-organizing economic community, completely outside Indian law, demonstrates how a do-it-yourself spirit can be part of a larger cultural shift from non-renewable to renewable resources.

### REGENERATIVE COMMERCE FOR ECOLOGICALLY SUSTAINABLE GOODS

“Regenerative commerce” is a term coined by Jon Ramer for values-based commerce that integrates social networks with transactional networks to retain and grow local wealth. It is playing out in a variety of development venues, from the *favelas* (shantytowns) of Rio de Janeiro to the rural communities of small-scale producers. For example in Oaxaca, Mexico, an organization known as Bioplaneta builds social and technical network connections between small-scale producers and NGOs who provide technical assistance in meeting the goals of the Eco-Solidarity distributor network.

### OPEN KNOWLEDGE NETWORKS FOR ENVIRONMENTAL INFORMATION

In ten villages surrounding Pondicherry, in South India, the Open Knowledge Network (OKN) has emerged as a source of environmental information to support the health and safety of the local population. With online access points in each of the villages, the network of volunteers collects local information about water, energy, health, agriculture, biodiversity, and the environment, as well as traditional practices and local events. Because most of the population doesn't routinely use the access points, the information is also distributed by a small local newspaper and low-power radio network. It isn't the same style of smart networking one sees in the United States, but it includes the same collective behavior, increased connectivity, and focus on network building that characterize the leading edge of smart networking in the industrialized world.

**Q: GIVEN IT'S SIZE, WAL-MART CAN ACTUALLY FUNCTION AS A REGULATOR. AND I REALIZE YOU WOULDN'T WANT TO SAY THIS OFFICIALLY, BUT YOU MAY BE THE CLOSEST THING WE'RE GOING TO GET TO AN EXTREME ENVIRONMENTAL REGULATORY BODY IN THE UNITED STATES. WE'RE NOT GOING TO GET REGULATION IN THE SAME WAY AS GERMANY, FOR EXAMPLE.**

I think you're touching on one of our goals here. We have the capacity as a company to build very positive relationships with the regulatory agencies and invite them in and build partnerships. The EPA is a great example. What a great program they have in the Smart Way program. It's just a terrific, terrific program that encourages the freight industry to reduce emissions and increase efficiency. And we do have the ability to perhaps influence the world by demonstrating how it's done. This is how we believe it could happen: by sharing information with other companies, by being as transparent as possible, by inviting those regulators in on discussions, and by taking them as partners as opposed to isolating ourselves or looking at our regulatory agencies as foes rather than business colleagues and business partnerships.

**Q: TO ME, WHAT'S REALLY INTERESTING IS THAT YOU'VE BROUGHT SUSTAINABILITY TOGETHER WITH STRATEGY. YOU'RE COMBINING THE TWO IN THE PHRASE "BUSINESS SUSTAINABILITY."**

Right. It's a beautiful marriage, really. You know, business and sustainability don't stand alone. They can't. As a business, we have responsibilities to our shareholders to do things in the most economical way possible. There are things that we would like to do from an environmental standpoint, but it doesn't make good business sense to do it. The return on investment may not be there right now because the technologies just aren't there yet. But that's where you have the dialogs with manufacturers, inventors, NGOs, and the government organizations to help tap into those entrepreneurs, those companies that are doing the research to make sure that research dollars are allocated and that we keep those kinds of things moving forward. But it's not to say that within a few years we won't be able to do more.

I think this is the most exciting time at Wal-Mart. We're going through so much change and transformation that at times you just have to hold on to your chair because things are happening so fast. But it's the right thing.

# WHAT TO DO

## COMMUNITIES:

### LOOK FOR NEW PUBLIC-PRIVATE PARTNERSHIPS AT THE LOCAL LEVEL

With their do-it-yourself attitudes and their smart-networking skills, citizens of sustainability are likely to innovate community institutions as well as markets. The opportunity here is to forge new kinds of public-private partnerships, leveraging the sociability and literacy of the commons that these people will bring to community issues—while also engaging their entrepreneurial spirit. Watch for platforms that further community eco-health goals by linking local producers and merchants to community sustainability practices. For example, they might offer rewards and incentives, such as discounts or points at local merchants, to local citizens of sustainability who support local health and environment projects. Those same citizens will increasingly reward companies that support local sustainability—in the broadest terms—by endorsing them in local forums focused on ecological health.

## TECHNOLOGY:

### LEVERAGE WEB 2.0 FOR UNDERSTANDING HEALTHY ECOLOGIES

Technology companies have much to offer to citizens of sustainability. In particular, Web 2.0 companies and their descendents can help leverage the local knowledge of these players in a global marketplace of ideas and practices. Reversing a familiar refrain, such tools will create the platform for people to think *locally*, act *globally*. In a next-generation cross between MeetUp.com and WebMD, local platforms could help local users explore their own health in the context of local environmental factors. Ultimately, like the emerging online communities that rate health remedies, these new communities could provide a wealth of bottom-up information about the best strategies for managing personal and community ecological health—and link those strategies to ongoing monitoring and analysis tools for implementation and feedback.

## GLOBAL DEVELOPMENT:

### GET THERE EARLY WITH ECO-HEALTHY PRODUCTS

Increasingly, and not surprisingly, the desire for a healthy home, community, and planet is shared by people all over the world. With the Internet as a means to diffuse information more widely and with more companies providing sustainable products and services on a global level, there is great potential for sustainability-friendly practices and products to leapfrog to developing nations. Global corporations are in a perfect position to get there early, providing environment- and health-focused products and solutions for consumers in places like India, China, and Russia today. The urgency to act now is real, as awareness about the eco-health impacts of products is spreading rapidly; acting in the present will help companies avoid future backlash and even liability.