



Down To Business:  
Paul Hawken

an interview by RENEE LERTZMAN

Speaking to a room full of civic and business leaders at the Commonwealth Club in 1992, Paul Hawken coolly told them, “Either we see business as a restorative undertaking, or we businesspeople will march the entire human race to the undertaker.” Amid disapproving murmurs, he went on: “I doubt very much that the chief executives of the Fortune 500 corporations can name five edible plants, five native grasses, or five migratory birds within walking distance of their homes . . . yet it is with the hands and minds of these CEOs that the environmental battle is being waged and lost.” By the time Hawken finished his speech, many in the audience had left the room.

It’s no surprise that Hawken’s speech caused a stir; the relationship between business and the environment is an uneasy one at best. But if there is one person who can help to usher in a new age of sustainable business, it’s Hawken. Best known as cofounder of Smith & Hawken, distributor of high-quality gardening supplies, Hawken has become a leader in the struggle to make environmental principles work in the business world. His career is proof that successful businesses can be designed with heart, mindfulness, and grace.

A longtime activist and advocate for human rights, Hawken worked in 1965 as press coordinator for Martin Luther King Jr.’s staff in Selma, Alabama, and as a staff photographer for the Congress of Racial Equality in New Orleans. A year later, he became frustrated by the unavailability of healthy, whole foods in cities. To remedy the situation, he created Erewhon Trading Company, one of the first natural-foods companies in the United States. Under his guidance, Erewhon grew from a small health-food store to a thriving distribution company and food producer. Within a few years, the business had two stone mills, two rail cars, and contracts with farmers in thirty-eight states to supply its stores and more than three thousand wholesale accounts.

In 1979, Hawken cofounded Smith & Hawken to provide top-of-the-line gardening and horticultural implements — from rubber boots to picks, hoes, and forks. The company grew into a popular mail-order catalog and retail chain.

As the head of two successful companies, Hawken sought to balance the need to make a profit with his commitment to environmental sustainability and human rights. Drawing upon his firsthand experiences, he wrote the best-selling book *Growing a Business* (Simon & Schuster), which also became a seventeen-part PBS miniseries broadcast in more than 115 countries. By profiling fifteen socially responsible business owners, *Growing a Business* helped map the slippery terrain of mindful enterprise for a new breed of entrepreneurs who wish to do good in the world.



PAUL HAWKEN

Hawken’s next book, *The Ecology of Commerce* (Harper-Collins), was a watershed text for the sustainable-business movement. In it, Hawken argues that the business community has no choice but to confront the biological reality in which we live, and on which we depend. “Rather than a management problem,” he writes, “we have a design problem, a flaw that runs through all business.” The problem, he says, is a lack of imagination in every level of business, from production to packaging. Reflecting on his experience with Smith & Hawken, which he left in 1991, he explains, “The recycled toner cartridges, the sustainably harvested woods, the replanted trees, the soy-based inks . . . were all well and good, but basically we were in the junk-mail business. All the recycling in the world would not change the fact that doing business in the latter part of the twentieth century is an energy-intensive endeavor that gulps down resources.”

His most recent book, *Natural Capitalism* (Little, Brown & Company), cowritten with Amory and Hunter Lovins, pushes for “natural capital” to be factored into our industrial practices. Natural capital includes grasslands, savannas, climate, wetlands, oceans, and rain forests. Although the authors insist they do not want to put a price on these systems, “it is clear,” they write, “that behaving as though they are valueless has brought us to the verge of disaster.”

From his office in Sausalito, California, Hawken continues to work with companies and educational institutions as a consultant on sustainability issues. Named one of *Utne Reader*’s “one hundred visionaries who could change our lives,” he delivers dozens of talks around the world each year. He has also founded

Photo (left): Roy Arenella

# On Reshaping The Economy

two software companies, writes extensively, and is actively engaged in anti-globalization efforts, such as the Seattle protests against the World Trade Organization.

I met with Hawken on his houseboat in the summer of 2001, several months prior to the events of September 11. He'd just gotten home from a business trip and was preparing to leave for an extended meditation retreat in New Mexico. As afternoon slipped into dusk, we sat at his table overlooking the bay, watching pelicans dive outside the window. He'd written two of his books at that table, he told me. He is soft-spoken, and his years of Buddhist meditation practice are reflected in his uncommon clarity and focus.

**Lertzman:** How did your move into business happen? Did you approach "growing a business" as a way of changing the system, or as a creative act?

**Hawken:** My move into business was entirely accidental. It came about when I changed my diet from industrial to organic. I spent a whole day every Saturday going from ethnic grocery store, to Seventh-Day Adventist grain mill, to Oriental market, gathering food for the week. It seemed an obvious solution to put it all under one roof. I created my first natural-foods business in the sixties because I wanted to be the customer, not the owner. I have succeeded in business only when that was true.

Being in business has always been a little tense for me. I feel the ironies and internal contradictions because I have also been a critic of business. Bear in mind, I grew up in Berkeley, one of only two American communist cities at the time. For me, putting on an apron, counting the money in the register, and stuffing it all into a Cordura nylon bag for the bank's night deposit was like walking on the moon.

When I started my first company, I was clueless. I had never studied anything about business. Not even a pamphlet. I just launched. For me, it was a tool to get something done in the world, to give people choices about food, and to give farmers the chance to produce food using biological methods as opposed to toxic ones. That the natural-foods industry has ended up being devoured by big corporations just means it is time to start again, only this time we need to focus not just on the quality of the food, but on the quality of the organization, its roots and locality.

**Lertzman:** We hear a lot about "green business" these days, but it's hard to know how deep the reform goes. Is it for real or just "greenwashing," where businesses give the appearance of being environmentally responsible?

**Hawken:** Some businesses think that if they stop polluting so much, buy recycled paper, plant some trees, reduce overall waste, and use native plants to landscape their corporate campuses, they become green. These practices are laudable, but they don't get down to the fundamental issues of how industrial output in our society is out of control — and, more fundamentally, how the thinking that informs economic growth is both absurd and astonishingly ineffective. They also don't get to the key problems of how worldwide growth is marginalizing the environment and

leading to wholesale deracination of cultures, villages, and families. When you see the underlying problems, it leads to issues that aren't on the corporate radar screen: population, women's rights, workers' rights, sovereignty, social justice, community rights, international trade rules, the corporate corruption of governments. These issues reveal a world that is in real chaos with respect to its values, priorities, and principles.

**Lertzman:** The reality you describe is overwhelming and rather dismal.

**Hawken:** It may sound hopeless on the face of it, but it's not. It *will* be hopeless, though, if we aren't willing to look at problems directly. We are like the man who goes to the doctor because he is a little short of breath and finds that his unhealthy diet and lack of exercise have led to diabetes, kidney problems, high blood pressure, arteriosclerosis, bad breath, indigestion, poor sleep, anxiety, and psoriasis. This industrial world can be changed, but it means listening to the doctor's orders and getting a real diagnosis. A pill won't work, and many in business are just looking for a pill. Of course, some aren't even admitting that there's a problem.

The way to overcome people's resistance to seeing the problem is by talking about possibilities and solutions. From that vantage point, people can adjust their focus and see the damage we have done and are doing. Human beings need to create; we are born that way. Most of the damage being done is a result of misdirected creative impulses badly applied and greatly abetted by ignorance.

**Lertzman:** Are we at a point where our concept of business is being reinvented, reimagined?

**Hawken:** We are in a period of reimagining *big* business precisely because it has so little imagination. Look at what happened at the Hague meetings on climate change in 2000. Four countries whose governments are dominated by corporate interests — the U.S., Australia, Canada, and Japan — managed to reduce a conversation about the fate of the world and the future of energy into concepts like "restrictions" and "protecting our way of life." These four countries, which were acting as surrogates for mining, oil, gas, and car companies, managed to stop a worldwide environmental agreement dead in its tracks. The meeting brought into clear focus the incapacity of business to deal with the exigencies of global life.

Business, in its optimal state, can do extraordinary things. The world is full of small miracles brought to us by designers, engineers, and even salespeople. But the aggregate activity of commerce is destroying life on earth. We are all to blame, to be sure, but we are hugely abetted by the scale and structure of modern business, which has more power than it can possibly handle.

**Lertzman:** The title of your last book, *Natural Capitalism*, written with Amory and Hunter Lovins, seems an oxymoron. What does it mean?

**Hawken:** Those who haven't read the book often assume the title refers to a variant of capitalism, when in fact, it doesn't refer to capitalism at all, but to the concept of

“natural capital.” It’s a very important distinction.

The term “natural capital” was coined by economist E.F. Schumacher in *Small Is Beautiful* to represent the natural resources that economists, governments, and corporations leave off the balance sheets. Natural capital includes the vital, life-supporting services that flow from living ecosystems: pollination, flood prevention, topsoil formation, oxygen production, waste metabolism, and so on. Capitalism is a profoundly unnatural system that obliterates natural and human capital because it is focused on capital in the traditional sense: money and the means of production.

**Lertzman:** If capitalism cannot be “natural,” then how can businesses be sustainable?

**Hawken:** Business and capitalism are not the same thing. When you talk about capitalism, you are on a whole other level. Business and enterprise preceded capitalism by a few thousand years.

Is capitalism necessarily exploitative? As it is defined and practiced, absolutely. Is it possible to restructure and redefine it such that it wouldn’t be? Yes, but then it wouldn’t be capitalism anymore. There is a notion that an economic system in line with ecology and human needs will suppress innovation, create unemployment, be too costly, and so forth. That is what the unimaginative declare because they have no idea what they would do in a system that wasn’t based on acquisitiveness, aversion, and delusion. People have to change their values in order for the system to change.

**Lertzman:** Does the fate of our planet rest upon business’s capacity to become “imaginative,” or does it depend more upon community and individual efforts to enforce regulations and encourage healthy, ecologically sensitive practices?

**Hawken:** The answer is not “either/or” or even “both,” but “all.” Every node in the system will have to change. Human society is a subsystem of Mother Earth. As the earth changes, every aspect of society is transformed. It is happening before our eyes. Most of the changes cause suffering. This is the problem, but also the starting point for intervention: how do we relieve suffering?

Another way to look at the population issue is to ask ourselves: How do we make a planet that truly welcomes every new being? How do we create a world where children do not suffer? If we take that as a starting point, then obvious answers arise. Of course business must change, but if we start from that point of view, then we will fall into a morass of arguments, compromises, rules, and rationalizations, because business is not the purpose of society, and it’s certainly not our purpose on earth. Businesses can serve humanity, alleviate suffering, and nurture life, but those that do are far too rare.

**Lertzman:** Can you provide examples of businesses that are nurturing? Is it a matter of what kind of businesses they are, or rather how they are run?

**Hawken:** It is both. There is Judy Wicks’ White Dog Cafe in Philadelphia, and then there is McDonald’s. Both are restaurants, but one helps the community, while the other

extracts resources from it, paying pitiful wages in return. Discerning which is which is not rocket science. In our heart of hearts, we all know a good business when we see one.

We might ask ourselves whether fast food should even exist. It is an inherently unsustainable and destructive industry because it organizes food chains into low-cost monocultures, while eroding human health at the same time. “Slow food,” the resurgence of local cuisine, and biological agriculture are the other side of the spectrum.

In general, smaller is better. It is possible for a business to be sustainable on a large scale, but few will ever accomplish it, because the underlying assumptions that inform large corporations are based on dominance and power over markets and others. Sustainable businesses can be run in any number of ways, but they all involve a level of transparency and authenticity that contrasts sharply with the image put out by corporate public-relations departments. Giant institutions are very strong, but also inherently vulnerable because of their size. They create elaborate methods of deceiving themselves and others as a means of protection. Most small enterprises, on the other hand, perish without direct and unstinting honesty.

**Lertzman:** To many environmentalists, working with corporations is too much of a compromise.

**Hawken:** Working with corporations is not a compromise if you stay true to your values and principles. If you are in their

thrall, that’s different. David Brower, the founder of Friends of the Earth, was never opposed to working with corporations or negotiating, as long as the other party ended up doing the right thing, which David defined very clearly. What cannot be compromised are nature — wilderness, biodiversity, climatic integrity — and justice.

There are 100 million businesses in the world; ten thousand of them are big companies, and about a thousand are huge corporations that control the destiny of humankind. Those thousand need to be dealt with in every possible way. You can’t speak truth to power if you are sitting in Starbucks fulminating about what’s wrong. And you certainly can’t educate people that way.

It is also critical to make a distinction between corporations and the people inside them. Those people are us: our sisters, uncles, daughters, fathers, and neighbors. The corporation is a strange hybrid organism — neither human nor institution — that we don’t fully understand, because it’s very different than anything seen before on earth.

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Human beings  
need to create;  
we are born  
that way. Most  
of the damage  
being done is  
a result of  
misdirected cre-  
ative impulses  
badly applied  
and greatly  
abetted by  
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