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AGRICULTURE,
BANKING,
EDUCATION, FAMILY
BUSINESSES,
TOURISM, AND
WATER CAN BE
TURKEY'S GREEN
SWANS, ACCORDING
TO **JOHN ELKINGTON**,
AUTHOR OF THE
MUST-READ BOOK
FOR BUSINESS
LEADERS

TURKEY'S GREEN SWANS



Six sectors can be the Green Swans of Turkey: Elkington

► BY DIDEM ERYAR UNLU



JOHN ELKINGTON,
The author of Green Swans

YOU INTRODUCE THE CONCEPT OF “GREEN SWANS” AS TRANSFORMATIVE SOLUTIONS TO GLOBAL CHALLENGES. COULD YOU ELABORATE ON WHAT A GREEN SWAN IS AND HOW IT DIFFERS FROM A BLACK SWAN EVENT?

In introducing the concept of the ‘Black Swan’, Nassim Nicholas Taleb helped decision-makers worldwide come to terms with unforeseen, disruptive events and trends. Anyone who has read his book will know that Black Swans can be good, bad or some complex mix of both. In that sense, ‘Green Swans’ should be seen as a subset of the class of events Taleb identified, with the focus here on exponentially positive outcomes for the sort of challenges prioritized by the UN Sustainable Development Goals.

A recent disruption that can be seen through both Black and Green lenses is Putin’s War in Ukraine, with Europe making a surprisingly rapid transition away from imported Russian gas. That was a Black Swan event for many, though it had been predicted by people who thought that Germany’s economic model of buying cheap Russian energy and then exporting expensive products to markets like China was, to put it kindly, vulnerable to shocks both on the supply and demand side.

HOW DO YOU SEE THE ROLE

OF BUSINESSES IN DRIVING SUSTAINABILITY FORWARD, ESPECIALLY IN LIGHT OF INCREASING GLOBAL CHALLENGES SUCH AS CLIMATE CRISIS AND INCREASING INEQUALITIES?

I have spent 50 years working with businesses to develop market-based strategies for environmental and broader sustainability challenges. For example, I wrote my first report on climate change as long ago as 1978. My thesis was that governments would not act fast enough or on a necessary scale if they faced concerted counter-lobbying from business. So, we had to get business on the side and help business leaders see the risks and the opportunities.

It would be wrong to claim that we have achieved that goal, but with 96% of the top 100 companies in 49 countries now producing an annual sustainability report, we can at least say we are on the way. The EU’s Corporate Sustainability Reporting Directive will bring thousands more companies into line.

But even the best companies are creatures of—and shaped by—their respective markets. So, if we focus on companies, we make a fundamental error. For example, if we rely on iconic business leaders to set ambitious climate targets, we will get a small fraction of the world’s businesses. Set an effective price on carbon, on the other hand, and market forces

switch into gear—so the question leaders ask switches from “Why would we?” to “Why wouldn’t we?”

CAN YOU SHARE EXAMPLES OF COMPANIES OR INITIATIVES THAT YOU BELIEVE EMBODY THE PRINCIPLES OF A GREEN SWAN? WHAT SETS THEM APART?

When the book was published, people sent me their newly printed business cards identifying themselves as Green Swans. This was a nice reaction, but the fundamental point in Green Swans is that these are trends in technology, markets, and politics, not labels for individuals or individual companies to stick to themselves.

Think of the electric vehicle market explosion in recent years. Elon Musk might self-identify as a Green Swan, or Tesla might. Neither has—and we should be grateful. The Green Swan here is the shift from the internal combustion engine to electric forms of propulsion—and everything that goes with that. For example, I drive a Tesla Model Y EV and can charge it a couple of blocks from my home using renewable energy. But that doesn’t make me a Green Swan or, for that matter, my car. However, we are both examples of the broader trend for the electrification of mobility. The fact that China’s BYD is roaring along, and Tesla has seen

John Elkington, the author of Green Swans, listed agriculture, banking, education, family businesses, tourism, and water as the sectors that can be Green Swans of Turkey. “However, there will be many other sectors that could tap into these new energies, often driven by Turkey’s entrepreneurs, some of whom could even rival the likes of Elon Musk if they tap into the right Green Swan dynamics at the right time and in the right way,” he said in an exclusive interview with daily EKONOMI, on the sidelines of GPAS Istanbul’s Investment in Green Economy Summit in Istanbul on May 7.

“Corporate leaders worldwide are now having to consider the implications of artificial intelligence (AI) for their businesses and markets. We can safely bet that AI will help us uncover a range of new risks associated with sustainability challenges that we had previously overlooked. At the same time, it will help at least some market actors develop dramatically better solutions. Market disruption, you can assume, is pretty much guaranteed.”



its profits halved, says little about the broader Green Swan trajectory here, except that market competition is now getting to work to make EVs the market norm.

INNOVATION PLAYS A CRUCIAL ROLE IN ADDRESSING SUSTAINABILITY CHALLENGES. HOW CAN BUSINESSES FOSTER INNOVATION TO CREATE MORE GREEN SWANS?

Corporate leaders worldwide are now having to consider the implications of artificial intelligence (AI) for their businesses and markets. We can safely bet that AI will help us uncover a range of new risks associated with sustainability challenges that we had previously overlooked. At the same time, it will help at least some market actors develop dramatically better solutions. Market disruption, you can assume, is pretty much guaranteed. In the same way, emerging solar, wind, and battery technologies are already disrupting energy markets—one reason the EU economy has managed to wean itself off fossil fuels from Russia. So, we encourage companies we work with to consider the potential for both Black and Green Swans. At the same time, we help them see that—however mighty they may be

in their particular markets—they are not going to solve these problems on their own, even if they mobilize their entire supply chains. Instead, we need to see companies come together to pool their purchasing power to drive change.

For example, the RE100 platform, designed to help companies achieve 100% renewable energy, now boasts over 400 member companies—whose collective energy demand is equivalent to that of a country like France.

ONE OF THE KEY THEMES IN YOUR WORK IS THE INTERSECTION OF PROFIT AND PURPOSE. HOW CAN BUSINESSES BALANCE THE NEED FOR PROFITABILITY WITH THEIR SOCIAL AND ENVIRONMENTAL RESPONSIBILITIES? WHAT DO YOU THINK OF THE B CORP MOVEMENT?

Let me take the second question first. I love the B Corp movement, not least because all 8,000+ B Corps worldwide have adopted the triple-bottom-line approach I first proposed back in 1994. Our own firm, Volans, incubated B Lab UK prior to its launch, and we became the first UK B Corp.

On purpose, I am somewhat

uncomfortable with the boom in consulting in this area. The Mafia has a purpose; Vladimir Putin has a purpose. The real question is what sort of purpose can help a given business or organization best serve society’s interests—short-, medium—and long—term.

That said, while there are some pretty large companies now operating as B Corps, the challenge of simultaneously performing in ways that give people what they need, help protect the global environment and generate the sort of profits that shareholders, investors, and other key stakeholders expect is not trivial. One way companies can lead is by ensuring that the trade and industry associations they belong to share the same purpose, values, and goals. We helped Unilever do this in its first-ever climate policy engagement review, which was just published. More companies are now planning to follow Unilever’s lead.

THE CONCEPT OF SUSTAINABLE DEVELOPMENT HAS BEEN AROUND FOR DECADES, YET PROGRESS HAS BEEN SLOW IN MANY AREAS. WHAT DO YOU THINK ARE THE BIGGEST BARRIERS TO

ACHIEVING SUSTAINABILITY ON A GLOBAL SCALE, AND HOW CAN THEY BE OVERCOME?

The biggest single issue is that both business and politics have increasingly selected leaders whose purpose is narrowly drawn and self-serving. Greta Thunberg nailed it in her speeches to the UN General Assembly and the World Economic Forum. Whatever Elon Musk may say about climate change and the future, his overriding priority is Elon Musk. None of which means he can’t make valuable things happen, whether you consider EVs, space, or tunneling our neurotechnology, but often those are indirect outcomes of activities planned with other ends in mind. The best single investment any society can make in the future is in education for young people and all age groups. Indeed, older people may need education most, given that they tend to be wealthier on average, they tend to vote more than younger people do, often remain influential, and, typically, they become more conservative at precisely the point when we need to take bigger risks to generate the sort of breakthrough solutions now required. So, one of our key targets is business schools, which too often have lagged the curve in this area. We are currently working with Japan’s Shizenkan University and Spain’s IESE through their Future of Capitalism program.

WHAT CAN BE THE GREEN SWANS OF TURKEY?

Sectors I would like to include at first include agriculture, banking (we helped found Britain’s Bankers for Net Zero, for example), education, family businesses (because they often have a longer-term time horizon), tourism, and water. But there will be many other sectors that could tap into these new energies, often driven by Turkey’s entrepreneurs, some of whom could even rival the likes of Elon Musk if they tap into the right Green Swan dynamics at the right time and in the right way.