

**THE DESIGN OF PROSPERITY 09
THE SUSTAINABILITY OF OUR
PRESENT FUTURE**

**THE CENTRE OF EXCELLENCE
AT THE UNIVERSITY OF BORÅS**

CONFERENCE **NOVEMBER 2** THE UNIVERSITY OF BORÅS

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The next hundred years

by Yvon Chouinard

As a young man my passion was climbing mountains, and I earned a living working as a blacksmith forging pitons. The only pitons available in the late fifties were from Europe and were made of iron. The theory was that, because the malleable iron was inexpensive and molded well into rock cracks, the pitons could be left in place for the next person.

My pitons were made of aircraft-quality chrome-molybdenum steel and could be driven even into crackless, rotten seams of granite. They could be repeatedly placed and taken out without breaking, and so were instrumental in opening up the multi-day routes on Yosemite's El Capitan, where a typical climb took eight or ten days and hundreds of piton placements. In keeping with John Muir's philosophy, I tried to leave as few signs of our being there as was possible, unlike Europeans who left pitons, slings, and cables in place for future parties.

I never intended for my craft to become a business, but every time I returned from the mountains, my head was spinning with ideas for improving the carabiniers, crampons, ice axes, and other tools of climbing. My partner and I seemed to have a gift for good design, and the blacksmith shop soon grew to be a machine shop, and

then into Chouinard Equipment Company. Our guiding principle of design was a quote from Antoine de Saint-Exupéry:

Have you ever thought, not only about the airplane but about whatever man builds, that all of man's industrial efforts, all his computations and calculations, all the nights spent working over drafts and blueprints, invariably culminate in the production of a thing whose sole and guiding principle is the ultimate principle of simplicity?

It is as if there were a natural law which ordained that to achieve this end, to refine the curve of a piece of furniture, or a ship's keel, or the fuselage of an airplane, until gradually it partakes of the elementary purity of the curve of the human breast or shoulder, there must be experimentation by several generations of craftsmen. In anything at all, perfection is finally attained not when there is no longer anything to add, but when there is no longer anything to take away, when a body has been stripped down to its nakedness.

(De Saint-Exupéry: Antoine, Wind, Sand and Stars. New York: Harcourt Brace Jovanovich, 1968, pp. 41-42).

Later on I applied the same philosophy of industrial design, simplicity and absolute reliability, to the making of clothing for climbing when we started a sister company, Patagonia. Designing from the cornerstone of a functional need focused our efforts, and customers appreciated our "hand-forged" Stand Up Shorts, cagoules, and corduroy knickers. As the business grew, Patagonia also became a supplier of clothing for many other outdoor sports, such as white-water kayaking, back-country skiing, fly-fishing, and sailing.

In the late sixties, we began to see that the repeated use of our hard-steel pitons by increasing numbers of climbers was in fact causing a great deal of harm to the rock. We still resisted the idea of leaving gear in place, which would bring climbing standards down to the lowest common denominator, so we developed a new way to secure anchors in the rock. Our aluminum chocks could be placed in constrictions in the cracks to provide a secure anchor yet could be put in and taken out with just the fingers. Clean climbing became the accepted style throughout most of the climbing world, and Chouinard Equipment Company was the recognized leader in innovative tools for climbing rock, snow, or ice.

In 1978 I wrote a book on ice-climbing techniques. In its last chapter, I said that ice climbing had become so sophisticated that with existing tools and techniques, a

skilled climber could scale any given slope of snow or ice in the world. To add sport to progress, I wrote, we have to go back. We should start doing away with these tools and replace them with greater skill and courage. I felt that the whole idea of climbing should move away from goal-oriented technology to a place in which personal qualities like creativity, boldness, and technique were supported rather than suppressed by the tools of the trade.

I lost the desire to make ever-more complex tools merely to make climbing safer and easier. I also had increasing difficulty relating to the new indoor sport climbers, who saw climbing as a strictly gymnastic endeavor in which mountains or crags were unnecessary and sticking one's neck out was unacceptable. I began loathing the very equipment I was making, preferring to go out and do easier climbs without gear rather than harder ones with all the gear. Then, as climbing became more and more "mainstream," liability lawsuits began, and I knew finally it was time to get out of the game. The assets of Chouinard Equipment were sold to some of its former employees in a Chapter 11 proceeding, and the company ceased all operations.

Meanwhile, Patagonia was growing at such a rate that in 1991 we calculated that in 11 years it would be a billion-dollar company. We were growing the business by traditional textbook means: increasing the number of products, adding retail stores, opening more dealers, and developing new foreign markets ... and we were in serious danger of outgrowing our britches. We had nearly outgrown our natural niche, the specialty outdoor market. Our products were carried in most of the outdoor stores we wanted to be in. To become larger, we would have to begin selling to general clothing and department stores. But this endangered our philosophy. Can a company that wants to make the best quality outdoor clothing in the world become the size of Nike? Can a three-star French restaurant with ten tables retain its three stars while adding fifty tables? Can a village in Vermont encourage tourism (but hope tourists go home on Sunday evening), be pro-development, woo high-tech "clean" companies (so the local children won't run off to jobs in New York), and still maintain its quality of life? Can you have it all? I don't think so.

As a society, we've always assumed that growth is both inevitable and positive: "bigger is better," "you grow or you die." When our economies sour, as they inevitably do, we simply look for new technologies, new resources, and new consumers. In America we were always able to go west whenever we needed more breathing space or more virgin groves of trees to cut or more prairies to till. Now we hunt new export markets and new Third World sources for raw materials. Free trade is replacing the microchip as our new savior. But Third World resources are

close to exhaustion, and many world economies, burdened by debt, are no longer viable dumping grounds for our manufactured goods.

When the nineties and the recession arrived and President Bush began asking everyone to spend, the country's response was different. We didn't think spending would get us out of our problems. The government can offer consumers tax rebates and give incentives to help ramp up the manufacturing sector, but someone has to want to buy the product.

In Western Europe, and among the trendsetters in the United States and elsewhere, it was clear that many people were no longer interested in shopping as entertainment and no longer were accumulating wealth as a sign of status. Just a few years ago the definition of an upscale family was a television in every room; now, it's no televisions. Movie stars have been seen driving to environmental fund-raisers in Toyotas and taking off their furs and pinky rings before going inside ("stealth wealth"). Maybe everyone got out of bed one day and discovered we were nauseated by the thought of going to the mall and buying more junk we didn't need. Maybe we got tired of being called consumers instead of citizens.

What if this new attitude catches on? What if America, Japan, and France decide that the right thing to do is to reduce consumption? A European only consumes a quarter of what an American does now, so it's entirely plausible that America could realize a big drop in spending habits. Even a 10 or 20 percent reduction would be catastrophic for the economy.

The world's economies are certainly threatened by more than a change in attitude. Most intelligent people around the world have stopped denying that we have enormous problems with overpopulation, pollution, climate changes, and diminishing resources. However, we are still denying that we ourselves are the causes. We say "shame" on those Mexican or Kenyan parents who have eight or ten children, yet our two North American children will, in their lifetimes, consume fifteen times more than the same number of Third World children.

We continue to delude ourselves into thinking that technology is the answer, even though over and over again it's been proven that most of our current technologies don't create jobs, but eliminate them. Technology cures our diseases but doesn't make us healthier; it doesn't even fulfill its promise to free us from our labors and

give us more leisure time. All technology has really done is allowed more of us to be temporarily on this earth - perhaps only for a short time longer.

For years I was tormented by the realization that my own company, dependent on the consumer economy, was responsible for some of this overabundance of goods. Although I'd tried in the past to limit this runaway growth, I'd always failed. So now I was faced with the prospect of owning a billion-dollar company, with thousands of employees making "outdoorlike" clothing for posers. I needed to do some soul searching so I could reconnect to my original philosophy of simplicity and quality.

My wife and I flew to Florida to meet with a business consultant who, we hoped, would help us with our future planning. Before he could help us plan, he wanted to know the reasons why we were in business. We told him the history of the company, how I considered myself a craftsman who had just happened to grow a successful business. I told him that I'd always had a dream that, when I had enough money, I'd sail off to the South Seas looking for the perfect wave and the ultimate bonefish flat. We told him the reason we hadn't sold out was that we were pessimistic about the fate of the world and felt a responsibility to do something about it. We told him about our tithing program, how we gave away a million dollars in the last year to over two hundred individuals and organizations, mostly in the environmental field, and that our bottom-line reason for staying in business was to make money that we could give to such causes.

The consultant thought for a while and then said, "Oh, I think that's bullshit. If you were really serious about giving money away, you would sell the company for a hundred million or so, keep a couple of million for yourselves, and put the rest in a foundation. That way you could give six or eight million away every year, and if you sold it to the right buyer, they would probably continue tithing as well because it's good advertising."

Needless to say, my wife and I were rattled. It was as if a Zen master had hit us over the head with a stick. But instead of finding sudden enlightenment, we were shocked and confused. Only after several months of soul searching did we realize that once again we had fallen into the trap of thinking about the result and not the process. A million or ten million dollars a year won't go far toward solving the world's problems; however (back to the Zen lesson), if you want to change government, change the corporations, and the government will follow. If you want to change corporations, change the consumers. Perhaps the real good that we could do was to use the company as a tool for social change, as a model to show other companies that a company can do well by taking the long view and doing the right thing.

I have a little different definition of evil than most people. When you have the opportunity and the ability to do good and you do nothing, that's evil. Evil doesn't always have to be an overt act, it can be merely the absence of good.

I've always believed that the key to government doing the right thing is that it bases its planning and decisions on the intention that the society will be around for a hundred years. The Iroquois nations extended their planning out even further, seven generations into the future. If our government acted this way, it would not clear-cut the last of the old-growth forests or build dams that silt up in twenty years. It would not encourage its citizens to have more children just because doing so equates to more consumers. My wife and I realized that if we really believed in the rightness of such planning, then Patagonia as a company must walk what it talked.

When I think of stewardship or sustainability, I think back to when I was a G.I. in Korea and saw the farmers pouring night soil on their rice paddies, which had been in continuous use for over three thousand years. Each generation of farmers assumes responsibility for seeing that they leave the land in better condition than when they took possession of it. Contrast this approach with that of modern agribusiness, which wastes a bushel of top soil to grow one bushel of corn and pumps groundwater at a rate 25 percent faster than it's being replenished.

A responsible government encourages farmers to be good stewards of the land and to practice sustainable agriculture. But why should only the farmer or the fisherman or the forester have the responsibility to see that the earth remains habitable for future generations of humans and other wild things?

We label our governments evil, yet a society gets the government it deserves. As we deny that as individuals we are the cause of our problems, we also deny that we are the solutions. No one wants to be the first to take the "hit." It isn't going to be the timber worker who refuses to cut another old-growth cedar, or the real estate broker who votes to put a moratorium on development, or the young couple that chooses to have only one child. So where do we begin?

Doing risk sports for most of my life has taught me one very important lesson: never exceed your limits. You strive, you push the "envelope," and you live for those moments when you're right on the edge, but you never go over. We must be true to ourselves; we must know our strengths and our limitations and live below our

means. I decided to try to simplify my own life, reduce my consumption of material goods, eat lower on the food chain, and work toward mitigating the damage I was causing to the earth. This was a start. But I also realized that if Patagonia tried to be what it is not, if it tried to "have it all," it would die. In the clothing field, the fastest-growing companies usually have the shortest life spans. Patagonia was over the "edge," and in order to take it back to the size it should be, we had to downsize. We started by laying off 20 percent of our employees and cutting back on projects worldwide. We also made a commitment to only grow at such a rate that we would still be here a hundred years from now.

The current American Dream is to own your own business, grow it as quickly as you can until you can cash out, and retire to the golf courses of Leisure World. The business itself is the product. Long-term capital investments in employee training, on-site child care, pollution controls, and pleasant working facilities are all just negatives on the short-term ledger. When the company becomes the fatted calf, it's sold for a profit and its resources and holdings are often ravaged and broken apart, disrupting family ties and jeopardizing the long-term health of local economies. The notion of a business as a disposable entity carries over to all other elements of society. As we at Patagonia strive to make a sustainable product (hoping to make a sustainable business for a sustainable planet), we find disposability to be our greatest nemesis.

When you get away from the idea that a company is a product to be sold to the highest bidder in the shortest amount of time, all future decisions of the company are affected. The owners and company officers see that since the company will outlive them, they have responsibilities beyond the bottom line. Perhaps they will even see themselves as stewards - protectors of the corporate culture, the assets, and, of course, the employees. A corporation is only an empty legal shield without its people. A company that intends to be around for a long time must live within its resources, care for its people, and do everything it can to satisfy its community of customers. Moreover, no business can be done on a dead planet. A company that is taking the long view must accept that it has an obligation to minimize its impact on the natural environment.

As we reassessed our operation, we realized that all of Patagonia's facilities should be involved in recycling and composting and have edible landscaping, low-energy-use power, and insulation. We should use recycled paper everywhere, even in our catalogs, encourage ride sharing, eliminate paper cups, and so forth. Could we go further? Absolutely. In Denmark it's illegal to sell nonrefillable pens. So should we eliminate all packaging? We would have to get away from buying cotton from Egypt, shipping it to Japan to be made into fabric, then to Jamaica to be sewn, then to

California to be warehoused, and then to stores in New York. We needed to move toward local economies.

At the same time that we were making these long-term plans, we began an environmental audit to investigate the impacts of the clothing we make. The results are still preliminary, but to no one's surprise the news was bad. Everything we make pollutes. Synthetics like polyester and nylon, because they are made from petroleum, are obvious villains, but cotton and wool are no better. To kill the boll weevil and other insects, cotton is sprayed with pesticides so poisonous they gradually render cotton fields barren; toxic defoliants are used to permit mechanical picking. Cotton fabric is often treated with formaldehyde and various resins that control shrinkage and make the fabric wrinkle-resistant. Wool relies on flocks of sheep and goats that often denude environmentally fragile land.

"Sustainable manufacturing" is an oxymoron. It's nearly impossible to manufacture something without using more material and energy than results in the final product. For instance, in modern agriculture it takes three thousand calories of fossil fuel to produce a net of one thousand calories of food. To make and deliver a 100 percent cotton shirt requires as much as five gallons of petroleum. The average so-called 100 percent cotton product is only 73 percent cotton fiber, the rest being chemicals and resins.

Other than shutting down the doors and giving up, what Patagonia can do is to constantly assess what we are doing. With education, choices open up, and we can continue to work toward reducing the damage we do. In this process, we will face tough questions that have no clear-cut answers. What good does it do to make an organically grown T-shirt if the price is so high that no one buys it except rich people who just add it to their ongoing disposable clothes collections? Should we add a bit of synthetic fiber in a cotton fabric if it makes a pair of pants last twice as long? Which is better to use, toxic chemical dyes or natural dyes that are less colorfast and fade?

In the final analysis, we have concluded that the key word that lets us out of this "no exit" dilemma is quality. The most responsible thing we can do is make each product as well as we know how so it lasts as long as possible. So we build clothes that don't shrink and don't need dry cleaning or ironing, that have nonbreakable, lock-stitched buttons and heavy-duty thread and stitching.

Quality is not only about how long a button stays on a shirt. It's also a whole way of doing business. For example, two years ago there were 375 items in the Patagonia line. Today we are doing the same amount of business with only 280. Next year there should be even fewer. Our goal is to offer only viable, excellent products that are as multifunctional as possible so a customer can consume less but consume better. A ski jacket should work perfectly for all disciplines of skiing, but it doesn't have to look like a ski jacket. You should be able to wear it on a sailboat or in a winter rainstorm in Paris. We shouldn't build in obsolescence. If the fashion this year is paisley shirts with five-inch collar points, we shouldn't make them, because the customer will just throw them away in a year when the fashion changes. If we use high-tech materials for a more durable and functional product, we fully weigh their benefits compared to the total cost to the environment. Patagonia's environmental assessment program is not only the responsibility of the environmental desk, it is to be a part of every position in the company. Our catalog is not sent to anyone who hasn't requested it, and we respect the privacy of our customers by not selling our mailing list to other mail order companies.

We plan to be a long-lived company, and as such we try to be good neighbors. We try to make our facilities and retail stores architectural "gifts" to the neighborhood. Whenever possible we restore older buildings rather than build new ones.

At Patagonia, employee benefits are not given as part of some supposed responsibility to take care of employees from cradle to grave, but rather, each benefit is chosen because it is mutually beneficial and makes good business sense. For instance, child care is provided because women should have every opportunity to succeed and because it makes sense to not lose these valuable people when they decide to have children.

A stable growth company is forced to hire primarily from within. Since there is less upward mobility, there should be more horizontal movement. This means spending as much money on employee education as on research or promotion.

The "corporate culture" at Patagonia reflects who we are, and we guard that culture zealously. We need to seek out and hire "dirt bags"; these are the passionate outdoor people who are our core customers. We believe that it is easier to teach these people business than to turn a businessperson into a passionate outdoor person. When the surf's up, you go surfing, you don't plan to go next Tuesday at two o'clock. Why should you care what hours your employees have as long as the work gets done?

Even after our best efforts, we will still be polluters. So we take at least 1 percent of our total sales and use it to protect and restore our natural environment. This is our voluntary "Earth tax." Accepting a leadership role is not something we take lightly at Patagonia. When you choose to be a publicly visible company, everyone is aware of your successes and failures. We hope someday to be an example that other companies will follow, and we continue to strive to be that example.

One my desk is an oval box made of cherry wood that was shaped to fit a curved last, then finished with copper nails. The box was designed by the Shakers, who design furniture and household goods to fit their philosophy of simplicity and sharing: that the path toward life's meaning is more clear if you get clutter out of the way.

Technocrats tell us we can't go backward, we can't refuse technology, because then we won't progress. We are told that life is increasingly complex, that's the way it is, and that a company must keep growing, otherwise it will die. If this is all true, then we are doomed.

Going back to a simpler life based on living by sufficiency rather than excess is not a step backward; rather, returning to a simpler way allows us to regain our dignity, puts us in touch with the land, and makes us value human contact again. This direction is as pleasing to the soul as the lines of my Shaker box are pleasing to the eye.