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# An Idler in the City

By Bruce Piasecki

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**AN IDLER IN THE CITY**

A survey of the key megacities of the world—from Athens and Paris to Istanbul and Tokyo—proves the need for new forms of leadership in a world constrained by carbon, capital, and the very nature of capitalism. As coastal waters rise near Manhattan and other megacities around the globe, new forms of competition must emerge and thrive. We will not survive without them.



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## Looking Back—and Looking Ahead

Over the past two decades, I have visited roughly 35 of the 100 or so megacities of the world. Each had a marvelously different feel: some were warm and exciting, others troubling and suffocating. Yet they also share some common traits. First, they are *growing*. Second, they are being shaped by a set of fierce and swift social and corporate forces in distinct ways that are often overlooked or simply ignored.

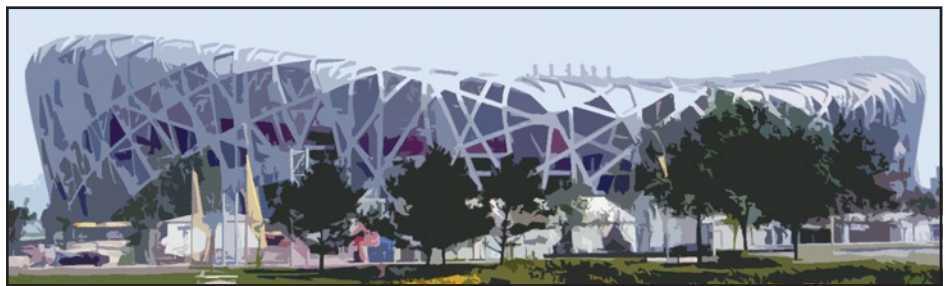
Why does Athens feel so appealing, like a Paris or a London, while Istanbul and Tokyo feel so large and overwhelming? And what tires us about the great sprawls of poverty known as Shanghai, São Paulo, and Mumbai? What, exactly, is controlling these cities—is it governments, NGOs, the press? What provides the engine of their sustained growth? And what can we hope from such large, teeming concentrations of people in terms of social solutions?

I do not pretend to fully answer these book-length questions in an essay of this sort. Instead, I offer a journeyman's set of observations about the growing relationships between cities and capitalism; and end by making a gentle and modest suggestion that this new century will prove different—and luckier—than what anyone supposes.

## The Value IN Efficiency and Competition

The great and lasting megacities like Athens and Paris and New York and London and Sidney and Calgary have evolved through the relentless competition for higher and higher efficiencies of labor, resources, and capital that is embodied in global capitalism.

They are open to change, to diversity, to inputs from afar. They compete in an advanced fashion, where the demand for quality, price, style, and social response unite. They aspire to host the Olympics and other global gatherings. You can find them on the map of the great rock-and-roll tours. And most significantly, they are all teeming with the logic of advanced capitalism, from the multi-speed world of Asia to the mature economies in Europe and North America.



Of course, no city is perfect: it was not so long ago that the suburbs of Paris erupted in riots; London is choking with automobiles; and Athens holds half of the population of Greece's 6,000 islands. But in general, these great cities have embraced globalization in a more intelligent way than the rest: they are going global and going green at the same time. The intelligence seems a group and



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historic intelligence, a collective intelligence, if you will. In those megacities that are suffering, it strikes me now that this “group intelligence” is repressed or ignored by ignorance or prejudice.

### **Mega-companies Sculpting Megacities**

As every region of the world begins to encounter severe carbon and capital constraints, how are these large megacities—and the mega-companies that they house (like HP, GE, ExxonMobil, and Shell)—addressing our urban needs, from poverty and disease to crowding and mobility?

Since World War II, the great megacities have retained manageable size and sprawl. Responding with gusto and honesty to the natural pulse of efficient capitalism, these cities are growing, but they are not bloated with excess. And just as they have pulled ahead in their embrace of globalization, they are proactive in addressing the threat of climate change. The best are embracing efficient public transport systems, and the best are learning to do more with less.

Aware of the threat of rising waters, great cities from Copenhagen to San Francisco have already begun climate-change mitigation projects. You might even think of the \$15 billion spent on building a 245-mile set of water control systems around the new New Orleans a climate change mitigation project. The same goes for the plans underway in Venice. While the federal or nation-based policy gurus have been distracted by the Copenhagen climate debates, leading engineering firms have quietly been making progress in Hamburg, Pittsburgh, San Francisco, Washington, D.C., and other cities. Why the public and the policy makers have ignored this is way beyond me.



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You can cut to the essence of this question about the great lag of policy by asking the question about “sustainability” in reverse. You might ask, “Do the 600 largest companies situate their goods and their talent in the center of these megacities?” The answer is usually a resounding *No*.

They buy space in suburban Naperville, not in downtown Chicago. You find HP outside of Heathrow Airport, not in downtown London. You find Agrium, the world’s largest fertilizer firm, outside of downtown Calgary, near a supermarket and movie theater in a residential neighborhood. Many of these giants are clients of my firm, the [AHC Group](#), so I get to visit their offices, often taking 40 to 80 minutes from the airport. It is a capitalist’s logic.

Among the 600 largest firms in the world that I wrote about in *World Inc* in 2007, the pattern is almost now commonplace. Corporate giants—from Toyota, Google, and HP to ExxonMobil, Shell, and Wal-Mart—know how to pick cheaper and better locations, extending the center city into a megacity and drawing talent, resources, and innovation after them. Many have asked if this is a net good. I ask: How can we call this anything but the relentless logic of social capitalism?

I believe that the changes in this new century boil down to two things: the values of globalization and the bright red face of our shared sustainability needs—in terms of food, transportation, and dwellings—of a smaller world.

While many articulate critics lament this development, to me, at my Whitmanesque best, I see it is the blue sky amid the clouds of sprawl. You can question whether it is right or all for the best, but you cannot really question why rising populations and the “corporate race to efficiency” sit together in megacities like a hand in a glove. Maybe it is better to think of them as sisters, active and engaged sisters.

### ”They Must Be Doing Something Right”

There is something incredibly rapid and shocking about global consolidation: things grow exponentially overnight. Each week, one large company merges with another, one city merges with its neighbor. We see it happen all the time, but we don’t know exactly what it means.

I once shared a five-minute elevator ride with a senator in Washington. As we discussed this global phenomenon, he said: “Certainly, the seven sisters”—the world’s largest oil players at the time—“must be doing something right to get that big. It couldn’t just be their love of debt, their faith in complex technologies, and their thirst to span the globe. They must be doing something right, don’t you think?”

I’ve been pondering this question for ten years now, now that I visited most of these oil giants. Of those original seven, there are only 5 remaining. Yet overall, is this rapid expanse of companies a result of doing things right?

And what exactly is meant by “right”?

*This century is about the logic of capitalism and the logic of megacities: the physical manifestation of a new kind of 21st-century global capitalism that ceaselessly seeks to improve in a swift and severe way.*

Are these developments right for the environment, right for people of all means, right for the profitability of the owners at any cost to others? I cannot begin to answer these important questions on equity, but I think you will also note there is something “right” about the hand-and-glove relationship that has emerged between most megacities and capitalism. It goes much deeper than shared fashions.

### **Corporate Culture and the Logic of Megacities**

Consider a few facts:

1. Fifty-one of the 100 largest economies in the world are not nations: they are corporations.
2. The 100 largest multinational corporations (MNCs) now control about 20 percent of global foreign assets. These top 100 are household names.
3. Three hundred MNCs now account for 25 percent of the world’s total assets.
4. As much as 40 percent of world trade now occurs within these top multinationals.

I believe that once we adjust our attitudes to deal with this new frontier—in which corporations, not nation-states, are ascendant—we will find that this new, globalized world can help improve our cars and our homes; our computers and appliances; our food; our health; and the length, comfort, and satisfaction of our lives. My theory may be unwanted news to some. But I am here talking about the clear majority of us—no matter our nation, beliefs, or circumstances.

This century is about the logic of capitalism and the logic of megacities: the physical manifestation of a new kind of 21st-century global capitalism that ceaselessly seeks to improve in a swift and severe way. Is this all for the good? Absolutely not. But my point is that we need to start with the facts.

The United Nations Millennium Project examined, through nine richly detailed books, how the old forms of industrial capitalism led to over two dozen failed states—from Somalia to spot islands and in select Latin states. Nearly a billion and a half of the world’s inhabitants live in areas where poverty is on the increase. It would be naïve to say that capitalism has been kind to these places. But my point is that it is blind to stop there.

Corporate globalization is not something new or something in the future that we can plan for or decide upon. It is already here, just as our megacities are already here. It is our understanding of the value shift that is lagging.

Virtually no spot on earth is shielded from the actions of large multinationals. There are few citizens whose days are not directly shaped by the choices of these firms, from the food we choose to make for dinner to the tools we use to get our jobs done and keep our families safe.



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more people live  
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## **The Truth about Global Corporations**

According to the UN, by 2050—a mere 40 years from now—almost three-quarters of the world’s population will live in cities. Oil, energy, personal mobility, and the price of goods are the central variables that have made—and will make—rapid urbanization possible.

We already live in a world where, for the first time in human history, more people live in urban mega-clusters than in rural areas. This is also the same world in which most of your water, air, housing, and food has been processed by corporations before you use it.

My premise is simple: mega-companies should have mega-responsibilities: we should expect more from these corporations who are in charge of so many aspects of our lives.

And of course this takes a new kind of social leader.

## **Capitalism Today and Tomorrow**

I first began thinking about the constraints on carbon, capital, and capitalists in the late 1980s, on a boat ride from Manhattan to Albany sponsored by then-governor Mario Cuomo.

The governor and his deputy, Stan Lundine, had organized a 50-person thought experiment called New York 2000—a boat ride up the Hudson, during which the 50 participants would debate the legitimate role of government in securing a better New York—from the city itself to its boroughs and hinterlands.

Most of the folks on the boat were lawyers, executives, or bankers; I was there as a sort of corporate resource expert, as my first two books, published in the 1980s, had helped reshape federal laws around hazardous waste management.

As we were passing the citadels of West Point, the governor asked us for our working definitions of altruism. After several attempts at defining why people go beyond the call of duty, David Sive, a Park Avenue attorney and cofounder of the Natural Resources Defense Council, told a story I will never forget. He had been stationed in the Italian Alps during World War II. Guarding a snowy summit, he had been ordered to shoot anyone who came across the valley who didn’t know the Allied Forces’ code word, which changed nightly.

It was early morning, and a figure approached, just visible in the blinding white-out. Reciting his orders to himself, Dave thinks, “Shoot, you fool.” But he doesn’t shoot. He ignores the orders of his superiors. He decides to resist tradition and his own past practice. The figure turned out to be an Allied soldier who was lost—and therefore didn’t know the password.

Dave finished the story by saying, “And you suppose I didn’t shoot for some altruistic reason?” He paused so his audience could weigh in. Most people felt he was a hero. He did not.

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*In my experience with leaders I have come to trust, they often operate out of basic instincts—from fear to longing to love of competition for its own sake.*

He said it wasn't altruism that stopped him. "My loaded gun remained loaded that morning not due to any higher selfless good," he said. "Yes, I saved that nameless Allied soldier from death, not because I knew he was on our side, nor because I somehow sensed he had been lost in the storm for three days."

The pause was palpable. "I did it out of basic fear. I was afraid I would make a mistake."

In my experience with leaders I have come to trust, they often operate out of basic instincts—from fear to longing to love of competition for its own sake. You can give them all the numbers, explore all the legal nuances, even cascade the dance of consequences before them, but none if it matters as much as what's inside them.

It's the same with capitalism and what's inside the successful city. Capitalism is at a crossroads because more and more people who head and support businesses have within them the desire to help make a better world, even if it means they need to kill inherited prejudices. These are the captains of tomorrow, the navigators of the megacity of today. Generally speaking, they are open, relentless, and accepting.

This is the newest element in advanced capitalism. Our megacities are full of new heroes like Dave Sive: people like Yvon Chouinard, founder of Patagonia; Tom Chappell, founder of Tom's of Maine; Mark Sarkady, cofounder of the Calvert Social Investment Fund; and Bob Stiller, founder of Green Mountain Coffee Roasters.

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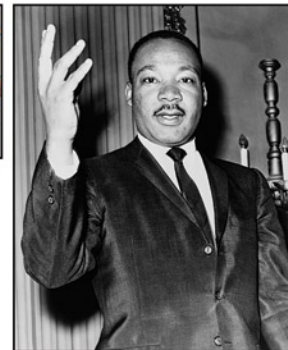
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*Certainly, the city of the future needs the engines of capitalism: cars, computers, better manufacturing, everything that Karl Marx mocked as “the means of production.”*



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These leaders and people like them hold their fire—allowing diversity, a sense of the globe, to fill their streets, to populate their megacities. This is the hidden hand of capitalism, the engine of globalization, and the fuel for our future. These are the leaders who will help many of us move beyond a world that is simply mean, and competitive merely for the sake of competition. That is why I often spot social response capitalism as “fashionable” in cities, and this is beginning to challenge the luxury and leisure class type of spending patterns in cities of yesterday. I am not saying a total shift has occurred, but in my work, I see a divide.

### Going Back to the School of Social Leadership

Certainly, the city of the future needs the engines of capitalism: cars, computers, better manufacturing, everything that Karl Marx mocked as “the means of production.” Social-response capitalists are bringing these means to common ends—and our megacities are filled with the results. But what I am seeing are more efficient cars, more efficient products, more efficient production.

So in the end, what makes a megacity an accurate mirror of what capitalism must become?

I believe that it boils down to a new way of understanding value—both the value of one’s firm and the value of one’s role as an economic instrument shaping society. Megacities make all of us sense a larger purpose and our role in it. They are the beehive in which we see our honey; they give us our direction and our sense of what we must protect. And the businesses that survive in this challenging new millennium will need to find new and lasting ways to answer key social questions—poverty, mobility, and energy diversity—*now*. Even before the great megacities have the chance to act, businesses are leading the way.

I feel no more accountable for making a total system of sense out of this than Walt Whitman must have felt “Crossing Brooklyn Ferry” in his day. These megacities are teaming. Some of the people are acting like social capitalists even though they are registered socialists, communists, or libertarians. I believe that what differentiates successful cities from less successful ones is how they respond to social and demographic change. Those that thrive retain the values—of fair competition and openness to commerce—that have enabled some corporations to go global “with a human face.”

We all know that many firms don’t get this “human face” stuff. I also recall how many books are out there lamenting the fate of cities, and the fate of capitalism.

Folks like Bill McKibben and William Kunstler believe that corporations are leveling the world of difference and humanity, simultaneously segmenting us and creating false harmonies so that we can all be fed into the machines of competition. Yet the CEOs and CFOs of the very firms condemned by McKibben, Kunstler, and others usually live in the cities they work from.

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And the critics themselves visit megacities to make their names and reputations, and to school their children. Remember Lily Tomlin's keen warning? "The trouble with the rat race is that even if you win, you're still a rat." The trouble with our megacities is that you are inescapably a capitalist when you visit them.

The businesses that survive this challenging new millennium will need to find new and lasting ways to answer key social questions—poverty, mobility, and energy diversity—*now*, before all the great megacities.

### Today's and Tomorrow's Megacities

Less than a hundred years ago, most centers of capitalism were "nation-based"—national centers of commercial and political capital defined by national goals and national interests. After having read this essay, you can see how far we've migrated from the U.S. vs. Soviet Union "cold war" model. We are in a shared balloon, which is getting hotter by the year. To avoid collapse, the megacity has to become attractive to many.

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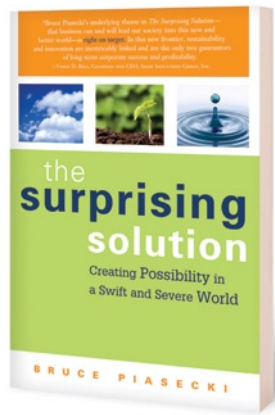


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*Capitalism and the city have evolved like sisters, not enemies.*



I wrote this essay simply to observe how capitalism and megacities have co-evolved since World War II, much like a hand growing to its limits in a glove, much like two sisters learning to transcend rivalry as they age. What matters most is the sheer adventure of all of this. Capitalism and the city have evolved like sisters, not enemies. Yes, they spend a lot of time planning and talking, questioning each other, and regulating behaviors. But in the end, the family of capitalism leads to the kinds of globalized megacities I’ve visited on my travels.

To maintain our traditions and to meld them with these new “corporate” values, we must consider where we stand. I know this causes discomfort in many. As the population density in these megacities blossoms, there must be a major convergence of public and private sector action to accommodate the unprecedented amount of change needed to meet the challenges of this new carbon- and capital-constrained world. In my consulting work, I have witnessed a sea-change in the mindset of the leaders of multi-national companies. They are ready to answer the call of the new generation and ready to meet the needs of our changing cities and climate. They are ready to build net-zero energy buildings, ready to create the levees needed to mitigate sea level rise, and ready to construct large-scale mass transit systems for modern mobility. It is clear that this new kind of capitalism is exactly what is needed in all 100 of our world’s megacities. As Shakespeare noted in *The Tempest*: “Thought is free.” It is up to you to either accept the future or be isolated by it. ■

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My latest book, *The Surprising Solution: Creating Possibility in a Swift and Severe World* (Sourcebooks, 2010), focuses on how can we best develop this new form of leadership I call social-response capitalism. In it, I offer a set of principles for a new generation of social and corporate leaders. As for this essay, I invite you to poke holes in my observations at [bruce@ahcgroup.com](mailto:bruce@ahcgroup.com) or at the blog at [www.worldincbook.com](http://www.worldincbook.com). Your thoughts will help me sharpen my reply...in my next book.

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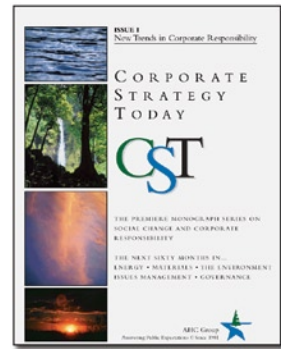


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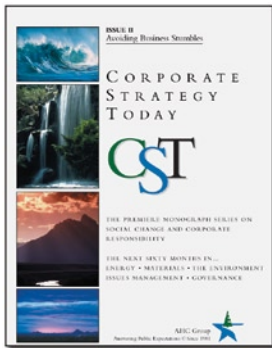
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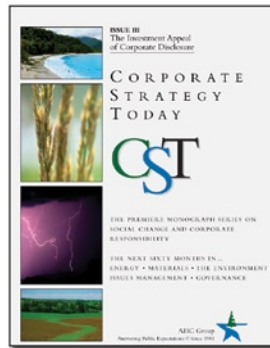
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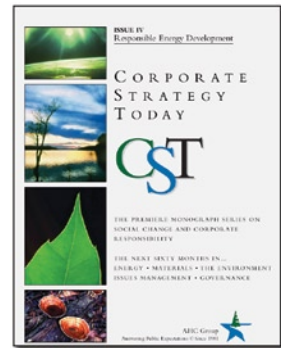
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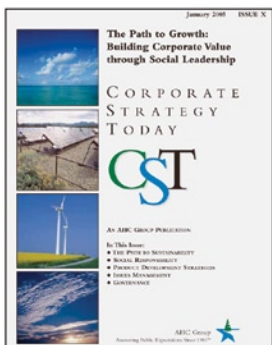
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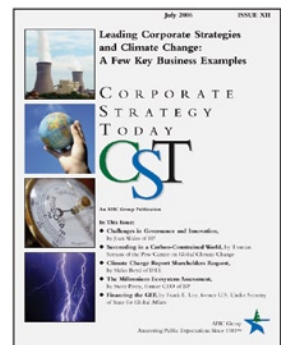
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