editor’s note

The latest proposal under discussion is a UL Environment and Greenbiz.com standard on Sustainability for Manufacturing Organizations under which manufacturers would become certified as being “green”. While many of the proposals make sense on the surface (such as encouraging carpooling, bicycling, public transit, and telecommuting), others are worrisome for their intrusion on the private market. Taken individually almost all of the suggestions are things that many people would agree with; the question is whether they should be mandated.

I guess in the long run I tend to believe in Adam Smith. As he stated: “It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest.” To me, requiring the use of highest mileage vehicles is unnecessary. Successful companies have a high regard for their bottom line and will naturally gravitate to the most economical vehicles. The same holds true for optimizing transportation routes and training drivers on fuel efficiency—both of which are included in the draft UL standard.

As an environmental standard it makes sense to mandate transparency on any violations of environmental regulations as well as any fines or civil penalties paid regarding water or air pollution, chemical discharges, or threats to ecosystems and/or human health. But it smacks of social engineering when the standard suggests that executive level compensation is linked to progress on sustainability targets and requires a human rights assessment for factories and other employers.

My biggest problem with standards such as the UL proposal is that it seemingly penalizes companies who have been doing the right thing for a long time. For example, you are rewarded for reducing greenhouse gas emissions but don’t get any credit for what you did in the past. For example, the steel industry has already reduced greenhouse gas emissions by around 40%—yet under this standard they would have been better off increasing greenhouse gas emissions during the past few decades so they could receive a benefit once the standard is enacted.

Apparently the green movement has forgotten that its current success is a result of demonstrating the marketplace value of green. I fear that the specter of enforcing even voluntary social standards apart from demonstrating their benefits will return the green movement to the marginal role it played in the 1990s.

The 45-day public comment period on the first draft ended in September (for more information on the proposed standard, visit http://www.ulenvironment.com/ulenvironment/eng/pages/offerings/standards/organizations/). But I’ll be very interested to see what comes of all this.

As Smith said: “Virtue is more to be feared than vice, because its excesses are not subject to the regulation of conscience.” As we learned in Chicago politics, you also need to keep an eye on the do-gooders.

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