tax code could force companies to underpay them. He’s nearly right on ubiquitous, we haven’t yet found a company that lacks such opportu-
nities. Reinhardt is wrong, though, about stricter regulation, which we didn’t suggest, and about tax changes. None of the businesses we cite was “forced” by taxes or regulations to adopt radical resource productivity. They did so despite many distor-
tions in taxes and regulations in order to gain profit and competitive advantage. Let’s restate what our article did say. If capitalism were actually con-
ducted according to its own logic, and markets were actually free, op-
portunities to protect the environ-
ment at a profit would be ubiqui-
tous. Currently, they’re numerous, but we never called them “free.” They take time, effort, creativity, and capital to exploit, but when un-
ditioned, they will usually yield attractive returns in virtually every sector under current conditions, as examples in Natural Capitalism [Little, Brown, 1999] illustrate. How-
ever, if the playing field for competi-
tion between using and saving re-
sources were leveled by expensing resource-saving investments, and the playing field between resource and labor factors were leveled by tax codes that favor work over waste, then the opportunities that are now common would become truly ubiqui-
tous. As a result, the whole econ-
omy would become more efficient. Radically improved resource pro-
ductivity yields the greatest profits in combination with the other ele-
ments of natural capitalism de-
scribed in our article. Transcending margin cost-benefit balancing acts, natural capitalist companies have found that if it doesn’t pay handsomely to be green, you’re prob-
ably doing something wrong. Some common mistakes include reducing pollution at the end-of-pipe rather than abolishing the pipe altogether, managing environmental risks rather than eliminating them, and incurring management costs rather than designing out unnecessary management.

Perhaps the biggest payoff of the resulting new business models is one Reinhardt doesn’t mention—aligning corporate values with those of customers, host communities, and workers, not the reverse. Re-
moving contradictions between what people do at work and what they want for their kids when they go home liberates extraordinary la-
tent creativity trapped in stale em-
ployee and customer relationships.

Natural capitalist companies adopt values congruent with stake-
holders’ and designs congruent with nature’s. Monsanto, whose business model for patented genetically mod-
tified crops Reinhardt considers promising, is riling for a fall by doing neither. Products based on values re-
jected by many of its customers and on market goals inconsistent with biological principles will teach a costly lesson: democracy and biology eventually win.

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In “Bringing the Environment Down to Earth,” Reinhardt asks mislead-
ning questions. “Does it pay to build your next plant in Singapore?“ implies an economic choice, but “Do you wish to build your next plant in Singapore, causing great damage to the environment?” implies a moral choice. To the first, you can answer “It depends.” To the second, you must reply yes or no.

According to Reinhardt, bringing the environment down to earth means bringing the environment into the fold of business problems. But that applies the rules of econom-
ies to ethical choices. Treating envi-
ronmental issues as business prob-
lems uses faulty reasoning. All of us have the duty to leave the earth to our children in the same or better condition as we inherited it. Every-
body—managers, shareholders, and so on—has the duty to preserve the environment. Granted, companies aren’t in business to solve environ-
mental problems, but they must not create them.

Reinhardt is right when he says, “environmental problems do not au-
tomatically create opportunities to make money.” But if he thinks that environmental problems should be treated only as business problems, ignoring ethical values, he is wrong.

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“Bringing the Environment Down to Earth” shows business managers how to approach environmental concerns as business problems and how to integrate environmental thinking into their decision making. This is an important first step. For example, I recently recommended the installation of a new piece of ma-
achinery for one of my company’s di-
visions. Marketing assessed the mar-
ket for the product, sales committed the additional volume, finance ap-
proved the capital expenditure, and the division devised the implementa-
tion time line. But at no point dur-
ing this process did someone assess the environmental impact of this new piece of equipment, no one thought to consider our manufactur-
ing processes in a different way.

I am not suggesting that every business decision needs an environ-
mental slant. However, much like the IT function—a stepchild in the 1960s but now an integral part of corporate strategic decision-making—the environmental function needs to grow beyond a few divisional staff members ensuring that manufactur-
ing meets government regulations. The IT function of the 1960s is that the IT function should report directly to the head of the organization. Should