

The Age of Organizational Effectiveness Podcast

Episode 120: Reconomics

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SPEAKERS: Storm Cunningham (guest), Charles Chandler (host)

Charles 0:12 (host)

Welcome, welcome to The Age of Organizational Effectiveness. This is the podcast that explores stories about organizations and their performance, not just for themselves, but for the common good. I'm your host, Charles Chandler. Today we're up to episode # 120. I'm calling it "Reconomics."

In this episode I talk with Storm Cunningham, author of the book, ***Reconomics: The path to resilient prosperity***. Storm is the Executive Director of the Reconomics Institute in Washington DC, and editor of ***Revitalization*** (The Journal of economic and environmental resilience). He has authored a total of three books. We discuss his process for the revitalization and renewal of degraded areas in a variety of natural and built environments.

And I'm now joined by Storm Cunningham, who's the author of ***Reconomics: The path to resilient prosperity***, his 2020 book. Good morning, Storm. How are you doing?

Storm 1:19 (guest)

Hey, Charles, thanks for having me on your show.

Charles 1:22 (host)

It's great to have you with us. You've written three books, the latest of which we'll be touching on today called ***Reconomics***, but the others focus on ***Rewealth***, and ***The Restoration Economy***. I found it hard to categorize your work in one sense. It ranges widely from urban revitalization, to watershed and ecosystem revitalization and a myriad of other things. The closest I've come is to say that you are reframing several debates among urban, regional and ecosystem specialists using a critical lens, and I think that's a good thing. How would you characterize your work over the last couple of decades?

Storm 2:06 (guest)

Yeah, you're right, that it covers of vast territory, if you're looking at it from the standpoint of the types of issues or type of types of assets that are being affected by my work, but it's actually a very narrow focus when you look at it from a standpoint of the type of work at least in the most generic sense, and that everything I focus on starts with our E. It's all redevelopment, regeneration, revitalization, reuse, repurposing, renewal, reconnecting. It's basically if you look at it from a lifecycle perspective of how we've been growing our civilization over the last 5000 years or so, you know, once we invented agriculture, about 5000 years ago, we started creating permanent communities. So, we grow those communities by sprawling, you know, sprawling the cities into farms, sprawling the farms into forests, extracting virgin resources, and that's fine. That's how you grow civilization. And there's nothing wrong with that, when you've only got a few million people on the planet as we did back then. But the planet hasn't gotten any larger, we've got a billion people now. And so that first part of the lifecycle, all of that virgin

resource extraction, and sprawling is only one of the three parts of the lifecycle, the middle part, maintenance, and conservation, maintenance of our built environment. Conservation of what's left of our natural environment is another major part of our economy. But my focus is purely on the end-of-life cycle stuff, all the revitalization of the places we've already developed all of the restoration of the natural resources we damaged along the way. And that's the part that really doesn't get documented very well. If you look at government reports. They focus on the first two parts of the lifecycle and trying to find out how much investment was put into restoring our world how much activity is in that area is really difficult.

Charles 4:10 (host)

Coming back to your latest book, *Reconomics*. I think we're in the midst of something of a postmodern reckoning in society. You know, as you mentioned, the standard economic model, which assumes unlimited resources on the planet is clearly a fantasy. And it's not working for us. One of the main questions going forward for society is how do we reinvent ourselves to adjust to the reality that, you know, unbridled capitalism is doing through the planetary resources at a brisk clip, and we still live on this single blue marble alone and what seems to be very large and lifeless universe? Your emphasis on a 'Re,' for instance, not economics, but 'reconomics,' as you coined the word. How did you come to the view that reconomics is what we need right now?

Storm 5:00 (guest)

Well, because it works no matter what the economic system is, doesn't really matter whether you're dealing with a socialist, communist capitalist, society or economy, that the fact is that if you're making your money from restoring natural resources and revitalizing communities and boosting resilience, then you're going to automatically be improving your quality of life. And your natural resource base, and any mode of economic growth that increases the resource base, increases quality of life. Yeah, that can't be wrong. That's, the kind of thing you really can't do too much off. I mean, I've been doing this now full time for over 20 years and hundreds of communities around the planet. And I have yet to hear a community complaining, oh, my God, we got to slow down this revitalization program, our quality of life is getting way too high. You know, we've got far too many jobs available now. Or, oh, my God, we got to slow down this river restoration project. Our waters getting way too clean. We've got far too many fish in there now. Or, oh, my God, we've got to slow down this brownfields remediation and redevelopment program. We're running out of contaminated property. You know, you just don't hear complaints like that.

Charles 6:24 (host)

Yeah, you don't. So, you cite Adam Smith, in his book *Wealth of Nations*^[cc1] (1776), where he considered all wealth to come from labor, as opposed to land or capital. And you point to a World Bank report that shows much of the world's current wealth relies on the continued inputs from various ecosystems that are being rapidly destroyed. How does 'Reconomics' set us on a new course?

Storm 6:51 (guest)

Well, basically, what I said before is that the whole dynamic here is based on incorrect increase as opposed to reduction. As you know, the biggest, maybe the biggest problem we have is in our accounting systems, that there are not full cost accounting systems. So, we've got artificially low prices on all the products that come out of our natural resource base, you know. An iPhone takes between 5000- 10,000 pounds of natural resources to make just one phone. And that's not reflected in the price of that iPhone. So, if we were to adopt full cost accounting for everything, then it would very quickly become obvious that that growing an economy based on increasing our resource base, on revitalizing the places we live, is the only really viable way forward, especially with a growing population on a finite planet.

Charles 7:57 (host)

Yeah. Well, today, many of the assumptions of postmodern reality are being questioned, including that new technologies will save us. I don't think that's going to happen. In the urban and rural sectors you focus a lot on redevelopment, which stands apart from the let's say, neoliberal consensus that calls for development at home and abroad. How do you see things playing out in the urban and rural sectors going forward? Is it about technology? Or is it about something more basic, that is reflected in your books?

Storm 8:33 (guest)

It is basic, but there is a technological aspect to this. And you know, if you look, if you look at the word, technology, in its more generic sense, it simply means basically, a technique for accomplishing something, we tend to think of technology as in as more of a product, a physical thing. But the technology I'm working with these days, is basically the process of bringing places back to life. It's really weird. But virtually every professional on the face of the planet, whether they're in a manufacturing company, or a government agency, or if they're a farmer knows that to reliably produce something you need to have a process. It's just common sense. But when you look at communities and regions and entire nations that say, what we want to produce is revitalization, or what we want to produce is resilience. And you're asking, okay, great. So, what's the process? They don't have one. They tend to just dive right into doing individual projects and kind of hope that if they do enough good things, that revitalization of resilience will magically appear as strange that these people are supposedly professionals and they're, they're leaving the future of the places they're responsible for up to hope and magic.

Charles 9:55 (host)

Yeah, you mentioned the need for strategy, and I think strategy is really all about getting leverage. You know, Archimedes said, Give me a lever and a place to stand, and I'll move the earth. Of course, that was somewhat fanciful. But tell us a little bit about the role of strategy and how you look at it.

Storm 10:18 (guest)

Well, that's a subject that I've always considered kind of basic and common sense. Because if you go way, way back to my youth, I was in Army Special Forces. And the Special Forces, Green Berets operate in 12-man teams behind enemy lines. So, the concepts of strategy and tactics tend to be rather personal. They are taken very seriously. In the business world, and in

especially the world of community revitalization and resilience. Strategies are taken pretty seriously in the business world, but not very seriously at all in the public realm. People use the word a lot, but very seldom are they using it in any way accurately. You know, and your point about strategy being a leveraging tool is correct, that the sole purpose of a strategy is to achieve success. The only reason it exists is to produce success. And you look at community revitalization initiatives. And you know, if a mayor says we're going to revitalize the city, and you ask them, well, that's great. So, what's your strategy? It's kind of like what is the process (?), they don't have a process. And they also don't have a strategy, what they'll often do is they'll reach up onto a shelf, and pull down a 300-page comprehensive plan and say, there you go. There's our strategy. And I have to say to them, no, excuse me, but that's a plan. What's your strategy? And they'll say, Oh, yeah, well, okay. Our strategy is to improve, improve the quality of life and attract new investment to our community, and blah, blah, blah. And then I'll have to say, Well, no, that's a vision. You know, a vision is a cohesive set of goals that you're trying to achieve. What's your strategy for overcoming the primary obstacles to achieving that vision? And about that point, they're just looking at me blank. And if they're, if they're humble and honest, they'll say, Okay, so what's a strategy?

Charles 12:22 (host)

Yeah, I think there's a lot of confusion around that. So, in a world where capitalism would have us favor rejection of the old, and privilege the new, how can we rehabilitate and revitalize that which is already existing, as you advocate,

Storm 12:40 (guest)

It's primarily a matter of storytelling, you know, capitalists are attracted to making money, and don't really care that much, at least not, you know, on an aggregate basis, obviously, some individuals are more ethical and socially responsible than others. But in general, you know, in a pure level, capitalism is just about making money, however it can be made. And, when they hear a story of a capitalist, that who's making money, restoring the world, it, it's not a problem, that the restoration is happening, it's not a problem that good things are happening for people or wildlife, or the climate. They're just interested in the money. So right now, there's over \$2 trillion every year being spent on restoring natural resources and redeveloping and regenerating cities worldwide. And it's growing, it's the fastest growing portion of the economy, looked at it from a lifecycle point of view. So, it's just a matter of letting folks know that you can make just as much money restoring the world as you can destroying it.

Charles 13:51 (host)

Yeah, you know, I worked in international development, and the old paradigm of sustainable development now seems tired and worn out. You note in your book that our world is now so degraded that only restorative redevelopment, and give us a healthier, wealthier and more beautiful future, especially in the face of the rising population. So, how do you see that playing out on a large scale, let's say nationwide in the US or in other countries around the world?

Storm 14:25 (guest)

Yeah, the dialogue is important. And you know, we've got to remember, sustainable was never a real thing. It was really just a dialogue tool. And trouble was that it did attract very large economic interest, because for the very reason that it was not a real thing. So, a giant corporation could jump into it and saying, we're saying we're involved in sustainable development, and nobody could bring them to task for not achieving it because there was no way of telling whether they're whether they were achieving it. So, the nice thing about restorative development is that it's totally measurable. The metrics are everywhere. If you're doing a, you know, like I talked about a river restoration before, there are hundreds of river restoration projects taking place all around the globe right now. And 1000's of stream restorations, especially urban streams, and you can measure that very easily, you can measure the water quality this year, as opposed to last year or 10 years ago, you can measure the number of fish, you can measure the biodiversity. All the metrics are the same with the built environment, you can measure the increase in property value when you reuse and restore a historic building, or the productivity of that building. And the jobs, it's housing. You know, all of these things are measurable. So restorative development is real, sustainable development really isn't. The other problem with sustainable development is that almost everything that's done under that rubric is focused on reducing the amount of damage we do to the world. And you know, we can't have a brighter future, just by slowing down the rate at which we destroy our world, you can only have a brighter future if we're actually undoing damage. And you know, it's not to say that reducing new damage is not important. It's critical. But it's not the same as making things better. You're just making things worse at a slower rate.

Charles 16:30 (host)

Absolutely. We seem to be in limbo, on which disciplines offer the intellectual high ground, when it comes to strategizing or planning, implementation. And getting things done in general, we have, you know, the traditional disciplines like city planning and architecture and engineering, economics, finance, but these are sort of differentiated and highly specialized tasks, that may not bring things together in a way that's necessary to generate action, as you suggest, and those steps toward renewal are often lacking. Is leadership in this area something of an emergent property that almost any discipline can have. But it's the leadership that has to emerge, really, in the midst of the problems.

Storm 17:22 (guest)

Yeah, you're right. There are a lot of disciplines out there that give people the illusion that there's somebody in charge of creating a better future, like planning, you think with a name like planning that it must be really holistic and comprehensive. But if you really look at the daily life of a planner, it consists mostly of involvement in zoning issues. And, you know, just giving exceptions to zoning issues and building permits and stuff like that. The grand planning of the future is something that if they ever do it -- it's very rare. And the other problem with planning is that the creation of a plan is often an end unto itself. Because the mayors love to create the illusion that something's happening without taking any risk. And cutting a check for the creation of a plan is no risk. Receiving that plan is no risk. It's implementing that plan where the risk comes in. So most, almost all plans just go onto a shelf. And then five or 10 years later, the cycle starts again when they update the plan. So, communities are stuck in this perpetual planning syndrome. And so, nothing happens. But they've got the illusion that something's

happening. There are plenty of disciplines that should be leading this restoration economy like landscape architecture, but they've got no power. Conceptually, they could be involved in the restoration of the built in the natural environment in an integrated way. But they've got no ability to affect those changes. They basically just have to respond to whatever the owners, whether they're cities or private companies, requests of them.

Charles 19:07 (host)

Yeah, I think this is the key point that all of these disciplines are working for somebody else, they've been given a contract or objective, to do something specific, that's within their area of expertise. But it's, it's really the, you know, the politicians or the other owners of the enterprise, that are giving them the charge to do something. So, leadership, you know, is in short supply in these areas. And it's not really up to the planners or the architects or the economists, to bring everything together. It's, it's everybody's job in a way, and you don't really know where the leadership is going to come from when you start.

Storm 19:54 (guest)

But there is a way to do it. There's a way to turn almost all of these people, whether they're planners or architects or engineers or mayor's into actual leaders of revitalization and resilience. And that's simply to educate them as to what the process for producing that end result is, what gets back to what we were talking about earlier, you can't reliably produce revitalization resilience if you don't have a process for it. And that's what was documented. In my last book, ***Reconomics***, is a minimum viable process that needs to be in place in order to produce revitalization and resilience. And that's what we're doing at Reconomics Institute. And that's all that our facilitators bring to the table. It's this process -- they can be any discipline, they could be lawyers, architects, engineers, doesn't really matter. But they're the ones who bring that process to the table.

Charles 20:49 (host)

Yeah, why don't you just tell us a little bit about that process and, and give us a, you know, the 30-second overview of how that works.

Storm 20:57 (guest)

Yeah, on the surface, it looks very simple. There are just six elements to it. To produce revitalization, you've got to have an ongoing program. So, you've got to put that in place, you can't create revitalization or resilience from the start with hit or miss collections of projects. You need to create an ongoing program. First thing to do, once you've got your program in place, is create a shared vision for what you're trying to achieve. Then you create a strategy to achieve that vision. You create policies that support that vision and strategy. You create partnerships to attract the resources needed to create projects, when the projects are the last of those six elements. The secret sauce -- what makes those six elements, you know, program vision, strategy, policies, partnerships, and projects -- what makes them produce revitalization or resilience is that each of them has to be regenerative in nature.

Charles 21:54 (host)

Well, I know you've worked on hundreds of, you know, real world revitalization projects. And could you just give us one example, and some of the results that came from that.

Storm 22:07 (guest)

Well, the most important results are in creating more ... what's the word I'm looking for ... rigor, I guess, in creating revitalization. Resilience needs to move from this area, where people just kind of do magic, do individual stuff and hope that revitalization magically appears, it needs to become a more rigorous discipline. And to do that you need numbers. If you can't measure it, you can't achieve it. And so, one of the most important projects I worked on was about 15 years ago, when the governor of Montana, Brian Schweitzer brought me in to help create a Montana restoration economy initiative. And three years later, they produced what was probably the world's first report that actually documented the return on investment (ROI) of investments in restoring natural resources and brown fields. And that was a game-changer. A lot of reports have come out since then, and the US EPA documents the return on investment, for instance of brownfields remediation, which was one of the elements of that Montana report. The EPA now reports that some places are getting ROI's of as high as 44:1, that for every public dollar put into brownfields assessment and remediation, they're attracting 44 private dollars for revitalizing the community. So that report really started a major and very positive trend.

Charles 23:49 (host)

So, we're coming to the end of our time together. What have we not talked about, that you'd like to leave us with?

Storm 23:57 (guest)

Well, people don't have to get involved in this on a professional basis. They don't want to actually restore the world for living or revitalize communities for living. There's a lot of potential here for doing this as a volunteer as somebody who just cares about their community and wants to see it succeed, in which case, you don't get it need to get certified as a revitalization resilience facilitator. I'm just reading the book, Reconomics, will enable you to go to the next city council meeting or neighborhood revitalization, citizens group meeting, or whatever. And offer you know, plug the gaps basically, to show, okay, you guys are doing great work, but you're not doing this and this and if you were, then your chances of success would be greatly increased. So, there's a lot of work a lot of potential here for simply doing this sort of work out of love, not just for money.

Charles 24:57 (host)

Yeah, I like that. So, how can folks connect with you best. We'll have links in the show notes to your books, and your website. But are there other ways to connect?

Storm 25:11 (guest)

Probably the easiest thing would just be to go to my public speaking site at StormCunningham.com, and the links to my books and all the organizations and publications I'm involved with are right there at StormCunningham.com. One of the reasons I'm able to stay on top of this whole world of revitalization and resilience is that I publish (I'm the editor of) **Revitalization**, which is a journal of the restoration economy that comes out on the first and the 15th of each month at Revitalization.org. So, for folks who want to simply read good news about places that are being restored or revitalized from all over the planet on a regular basis, just go to revitalization.org. You can always read the current issue free of charge. And if you subscribe, then you get access to the 8,500 plus articles that are in the past issues.

Charles 26:04 (host)

Yeah, sounds good. Well, thanks for being with us today, Storm, it has been very enlightening.

Storm 26:09 (guest)

Thank you, Charles. I appreciate being on your show.

Charles 26:13 (host)

And that's about it for this episode. Join us again next time when we'll hear more stories about organizations and their performance, not just for themselves, but for the common good. In the meantime, you can access all of our podcast episodes at our website, AgeofOE.com. I'm your host, Charles Chandler saying so long for now.