### Comment by Walter Stahel on the review that follows.

Dear Ron, this is a brilliant analysis and review of my book, bringing out the gist of my 'hidden' message. Thank you very much, and my best wishes for all your endeavours! Walter

(Full disclosure: while I don't know Walter well, we do share the same editor at Routledge, Inc.)



Fresh thinking in economics

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Why does Walter Stahel mention *The Little Prince* author, Antoine Saint-Exupery, at four critical points in his latest book: *The Circular Economy: a user's guide?* Ron Nahser reflects on a leading guide to the circular economy.

The publisher frontispiece states: "this book... is the perfect introduction for anyone wanting to quickly get up to speed with this vitally important topic...sets out key themes for busy managers and policy makers..." So it's clearly not for experienced practitioners in the circular economy (CE).

But beyond his skillful and compressed presentation of the elements of CE concepts and processes, there is a deeper reason for all of us to read the book and the Saint-Exupery quotes point to it.

Stahel's four brief references to Saint-Exupery run as a thread from the introduction through to the final section of this 93-page book. These quotes give us insight into Walter's concern beyond the mechanics of CE, to the need for deeper motivation – a passion – and engagement, which he expresses in the concluding *Culture, information and motivation* section of the last *Outlook* chapter with this key sentence: "As with climate change, the information is there but a convincing marketing is missing."

He worries, as Dame Ellen MacArthur states in the Foreword, that: "he may have failed to motivate people to start the necessary transition."

As a life-long marketer and now sustainable management educator, I will leave to the engineers and the politicians for the more complete analysis of Stahel's technical and policy ideas in the book – such as the era of "R" (reuse, repair and so on) and the era of "D" (depolymerise, de-alloy and other deconstructions) and the possibility of recombining material at the molecular level. I will focus this review on Stahel as a marketer/motivator and attempt to explain the central educational importance in why he turned four times to the mysticism of Saint-Exupery for inspiration.

### Stahel's Task

First: a statement about the book from the point of view of his concern about marketing. He begins, as any good marketer should, by focusing on the various market segments he sees as central to CE. After three chapters of introduction and overview, he turns to the heart of the book, engaging the key CE participants in the following six chapters (the caps are author's emphasis):

- YOU the owner, which is exactly the right place to start with who and why are people buying this stuff in the first place.
- YOU the person who takes the used object over upon disposal.
- YOU the salesman and distributor who is responsible for telling people their choices and delivering the products to the people.

- YOU the policy maker you're the one who was able to work on the policies to encourage the various steps that need to be taken.
- YOU the manager of a fleet of objects who can turn CE to the Performance Economy by selling results instead of objects "servicing" the economy.

Lastly, a designer with "radical innovation in stock management" to integrate into existing stocks and create new stocks through injecting innovative new systems, materials, and components...even at the molecular level.

## Branding the effort

Those of us who have followed Stahel's work know his earlier efforts on "Extended Product Responsibility" which attacked product obsolescence by assigning product risk to the designers and manufacturers as responsible for the entire lifecycle of their product. He was also involved with a whole generation of pioneers in the movement of sustainable systems models like Cradle-to-Cradle and Industrial Ecology.

Dame MacArthur, in the Foreword, says Walter has "provided useful descriptive tools" and is to be credited as "the founding father of the [Performance Economy] concept," fostering "the current enthusiasm for the CE."

These can all be called efforts in branding. Brands have been called the most powerful/influential idea commerce has ever given to culture – for better or for worse. They are images/models/memes that can capture, compress and focus people's imagination into a concept and language we can actually think and talk about. To quote a prominent moral philosopher, Alasdair MacIntyre, on their importance: "Perceivers without concepts, as Kant almost said, are blind." And Stahel gives us language to see. In an interview with magazine, *Making it* he said: "The reason why I prefer the term circular economy or loop economy to 'cradle to cradle' is the word 'economy', because it is the economics that, for me, is the most important thing." Exactly – moving from design to business language.

Stahel has a lot of advice for everyone involved in his portrayal of the Circular Industrial Economy and wants people to care for nature (mentioned a dozen times), connecting this with the truncated references to Saint-Exupery's "longing for the sea." However, he makes no mention of educators and how they might teach or implement this caring, which is where his work can prove invaluable. Learning from our experience, here's one way.

The Circular Economy and Management Education

In our *Developing Sustainable Strategies* capstone courses taught in over a dozen graduate management programmes (examples include Northwestern/Kellogg, Stanford GSB, Notre Dame/Mendoza, DePaul/Kellstadt, and Presidio Graduate School), we start with a macro-market perspective.

Like Stahel, we begin with the "owner-user" or customer in marketing terms (consumer sets the wrong premise for a CE relationship.) But we ask more foundational questions: what is the problem, opportunity, issue or need in the marketplace and society today which you want to address with a product, service or relationship delivered/marketed through profit, non-profit or government organizations?

We have students investigate and create a "market ecosystem map." As they see how the system works now, they invariably discover they have been too narrowly focused on the traditional distribution patterns without realising all the aspects and who are the stakeholders involved in providing the product/service. And then they start to see the gaps and potential intervention points to make the change in the linear economy, to building a CE and ask: What does this circular economy actually look like, how might it work, and how does that compare to the way it works now?

We are putting into practice creating CE projects by guiding the passion of our students' imaginations and energies on a journey of exploration, that we call an "arc of pragmatic inquiry." This places CE at the start – as opposed to the way models are taught in most business schools – by reviewing the 50 to 60 different models that you can use for developing the business; the most prevalent taught today is the familiar "maximize return to shareholders."

And, then, there are the models associated with sustainability such as biomimicry, triple bottom line, sustainable development goals and others.. And now: CE. In fact, Stahel's Performance Economy – his primary focus – can be applied universally to social economies delivering education, healthcare, food, shelter, clothing, transportation and the other goods and services that society needs.

Since we help students see the economy as a nexus of conversations, we use the CE along with the work of macro-marketers. As an example, Elinor Ostrom and her Polycentric Governance and "trust and reciprocity" helps students see the central importance of markets as a series of conversations. Beyond the goods and services, the macro-market is about creating new information networks making promises for creating and serving new markets and relationships.

# Imagination – creating new systems

So, in what appears to be a short, almost random quotation from Saint-Exupery, Stahel touches on exactly the deep problems of education for a sustainable world in general.

He gives the complete quote – from *Citadelle* (English title: *The Wisdom of the Sands*) – in his introduction: "If you want to build a ship, do not begin by gathering wood, cutting boards and organising work teams, but rather create the longing for the sea, awakening within men the desire for the vast and endless sea."

He then references just the half of the key sentence he wants us to think about: "longing for the sea" (p. 21), "build ships" (p. 59), and, on the last page (92), "*la pente vers la mer*, (the longing for the sea)" again giving us the source.

Somehow this quote has travelled over the years quite a way from the original where Saint-Exupery gives the sailing ship a different and central point of focus: "Instill in a people's heart the love of sailing ships, and it will draw unto itself all that is fervent in your land and transmute it into sails and rigging."

Stahel clearly wants the reader to recognise the importance of motivation and passion. But isn't the image of the sailing ship an image of the CE as the vessel for sailing on the adventure of the open sea of nature? It could then act not just as a tool, but also as an end, a goal, a vision. Any of us who have been with students and executives who were unfamiliar with CE and watched as they become acquainted with the concept and build their own models, can see their excitement for the far-reaching possibilities. We are connecting theory and practice – left brain and right brain.

That is when we reach for the tools and start building the ship.

### The lesson... an old one

The great question of education has always been how – or can – you teach the way to lead a virtuous life; the practice of character and ethics. Aristotle still provides one of the best answers in the West. "First we have to have a goal, a good," as Aristotle begins the *Nichomachean Ethics*. "And pursuing that goal leads to flourishing," (Book 1, Chap 5). He continues: "We are to find virtuous people, study and follow their example." (Book 6, Chapter 5,)

Stahel, virtually repeating Aristotle, concludes his book: "And my last words will be: 'We, the people, are the circular economy!"... Motivating economic actors to change course may be best done by pioneers leading the example, like the late Ray Anderson, chief executive officer of Interface".

Stahel himself is an example: we can read his book for its content, but also watch a virtuous person at work, practicing and labouring through a lifetime to build models and language. We should study and meditate on his life and work, and, with conviction and passion, put the work into action

### **Ron Nahser**

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The author of Learning to Read the Signs: Reclaiming Pragmatism in Business and Journeys to Oxford: Nine Pragmatic Inquiries into the Practice of Values in Business and Education, he has developed a values-driven strategy method known as PathFinder Pragmatic Inquiry® which has been used by more than 100 organizations and thousands of participants.

He is also a Fellow of the World Business Academy, Curator of the Willis Harman Archive, the Founding Partner of the Oxford Leadership Academy in USA, and Strategic Advisor to the UN Principles for Responsible Management Education (PRME) Secretariat.

Dr. Nahser earned a BA degree from the University of Notre Dame, an MBA degree from Northwestern University's Kellogg School of Management, an MA degree in Religious Studies from Loyola/Mundelein College and the Ph.D. in American Philosophy from DePaul University.

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