Kellogg in Wonderland
December 2014

“You’ve no right to grow here, said the Doormouse.”
“Don’t talk nonsense,” said Alice more boldly: “you know you’re growing too.”

The economic volatility of Victorian England predisposed Lewis Carroll in 1865 to subject his heroine Alice to frequent growth spurts and sudden shrinkages: “One pill makes you larger/And one pill makes you small,” Grace Slick summarized a hundred years later in the psychedelic anthem “White Rabbit.” Alice however was exasperated by her oscillations and longed for a safe and steady equilibrium.

Like Wonderland, modern capitalism has never existed in a steady state. The modest growth of the 1860s was succeeded by a severe recession that commenced in 1873; and in the 20th Century, the boom in the 1920s presaged the Great Depression. After World War II, pent-up consumer demand in the US, combined with the creation of the interstate highway system, the Cold War and then the war against Vietnam led to rapid economic acceleration followed by a deflation that began in 1974 and continues (despite several boomlets) to this day. And it is unlikely that technology, real estate, financial speculation, transportation, war or any other deus ex machina will quickly rescue the US and other economies from the doldrums into which they have generally sunk since the collapse of 2008.

And that’s a good thing.

The globe may not survive even the current stagnation; rapid growth would spell a still faster doom. At our current pace of economic output and CO2 emissions, the earth’s rising temperature will by 2050 pass the threshold expected to cause irreversible devastation. Ice caps will melt and the oceans will rise sufficient to flood New York, Miami, New Orleans, and dozens of other major population centers in the US. Pacific Island nations will be submerged, hundreds of millions of people will be forced from their homes in South-east Asia, and cities such as London, Amsterdam and Venice will be forced to construct ever-larger tidal barriers or sea walls. Agriculture will be devastated, with currently fertile areas reduced to deserts, and dry ones subjected to sudden and devastating floods. And the feedback leads in one direction only: artic and sub-arctic lands and water exposed by melting snow and ice will absorb rather than reflect solar light and heat, increasing temperatures even more; and thawing permafrost will release methane that will add still more to the thermal flux, leading again to rising temperatures, and so on. Thousands of animal species will go extinct – we are already in the middle of the greatest die-off since the Cretaceous-Paleogene – and the very fate of homo sapiens will be put in question. If the economies of the world expand at a faster pace than currently anticipated, the disaster will only come sooner.

But the leaders and marketers of Kellogg – consistently ranked among the top half-dozen business schools in the world -- appear to live in Wonderland. Draped across the walls of the Jacobs Center Auditorium (where I taught this Fall) are giant banners that read: “Are you
growth minded?” and “Brave leaders inspire growth. In people, organizations, and markets.” Just outside the auditorium, stenciled in large letters, my students and I read: “Growth demands social intelligence and purposeful collaboration” and “Growth is the greatest leadership challenge.” Kellogg’s new logo includes the motto: “Inspiring Growth.”

Kellogg employs outstanding scholars who understand very well that growth as it has been understood since the 19th Century -- increased production leading to more consumption (stimulated by the sales and marketing effort), followed by still greater production, and so on -- is simply unsustainable. Some Kellogg faculty, like faculty in other schools at Northwestern, are grappling in innovative ways with the economic, social and political implications of a global ecological crisis that demands that future production be reoriented toward the general good instead of higher GDP and corporate profit. They recognize that for global climate change to be averted, business leaders just like the rest of will have to say “You’ve no right to grow here.” As the combined Senate Task Force on Climate Change and Sustainability Council undertake their work this year, they would do well to keep in mind what the Doormouse said.