

Symposium on Defining and Measuring Intergenerational Services
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Portland State University

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Welcome to Oregon

For those of you from away, we think of this state as the last best place and we want to keep it that way forever.

That's why the idea of intergenerational commerce has such resonance here.

I am very pleased to be co-convening this stellar group with Amory Lovins, whom I have admired for years for his farsightedness on issues like energy efficiency and conservation, but also for his ability to collaborate with people across traditional divides. No better example of that than the fact that he persuaded the Pentagon to help fund and George Schultz to extol his recent book: Winning the Oil Endgame. The book recommends a radical result—getting our nation off what even the President calls our “addiction:” to oil—with very practical and technologically feasible means— energy efficiency in transportation and buildings and converting crops, wood waste, and even weeds to create biofuels.

I'm also glad that Jane Lubchenco will be with you by phone for part of the day. Few people on the planet have a better idea of what our current economic system is doing to damage the natural systems on which life of all species and economic security for all humans depend. Jane participated actively in the UN's Millennium Ecosystem Assessment , a 5-year, international scientific assessment of the consequences of environmental changes to human well being

That study reveals that approximately 60 percent of the ecosystem services that support life on Earth – such as fresh water, fisheries, air, and climate– are being degraded or used unsustainably. And the harmful consequences of this degradation could grow significantly worse in the next 50 years.

The assessment reveals clearly that any progress achieved eradicating poverty and hunger, improving health, and protecting the environment is unlikely to be sustained if most of the ecosystem services on which humanity relies continue to be degraded

On the contrary, we could be faced with new diseases, sudden changes in water quality, creation of “dead zones” along the coasts, the collapse of fisheries, and shifts in regional climate.

And humans and their personal and economic activities are responsible for the state we're in.

The scientists concluded that humans have changed ecosystems more rapidly and extensively in the last 50 years than in any other period.

While ecosystem changes have contributed substantial net gains in human well-being and economic development, these gains have been achieved at growing costs in the form of degradation of other services. Two of these services –commercial fisheries and fresh water – are now well beyond levels that can sustain current, much less future, demands.

The degradation of ecosystem services could grow significantly worse during the first half of this century. Scientists project progress in eliminating hunger, but far too slowly to halve the number of people suffering from hunger by 2015. Changes in ecosystems such as deforestation influence the abundance of human pathogens such as malaria and cholera, as well as the risk of emergence of new diseases. They found that malaria, for example, accounts for 11 percent of the disease burden in Africa and had it been eliminated 35 years ago, the continent's gross domestic product would have increased by \$100 billion.

The Assessment authors did find, fortunately, that the challenge of reversing the degradation of ecosystems while meeting increasing economic and social demands, can be met through significant policy and institutional changes—changes that will be large and, of course, are not currently under way. The report mentions options that exist to conserve or enhance ecosystem services that reduce negative trade-offs or that will positively impact other services. Protection of natural forests, for example, not only conserves wildlife but also supplies fresh water and reduces carbon emissions.

“The over-riding conclusion of this assessment is that it lies within the power of human societies to ease the strains we are putting on the nature services of the planet, while continuing to use them to bring better living standards to all,” the Assessment board of directors said. “Achieving this, however, will require radical changes in the way nature is treated at every level of decision-making and new ways of cooperation between government, business and civil society. The warning signs are there for all of us to see. The future now lies in our hands.”

What you are here to begin to day is no less than the redesign of the economy and the institutions that drive it, so that these radical changes can be made in a cooperative and mutually beneficial way. The great promise of the insights of intergenerational commerce, for which we have the great minds of Amory and Hank Patton to thank, is that through careful, scientifically sound attention to the measurement of consequences, both good and bad, not currently recognized in our current economy, through the “intelligent design” of long term contracts for the delivery of services that profitably enhance the good and eliminate the bad ones, and through the creation of local and regional governance institutions that collaboratively identify the most important services for financing through revenue bonds, we can improve the health and well being of our citizens and restore and protect the environment at the same time.

What politician would not be happy with those outcomes?

I firmly believe in holistic approaches to problems, whether healthy humans or healthy watersheds. I also strongly believe that we need new governance mechanisms to come up with long-term solutions to these problems. What I like about what I have heard so far about Intergenerational Commerce is that it relies on system change, scientifically based measures, collaborative processes and democratic governance. And that it is not pie in the sky but grounded in things business people and government officials and private citizens are used to doing—measuring costs and results, setting standards based on science in an open and inclusive process, figuring the best way to make money while staying within the constraints of the system and capital formation through traditional tools like revenue bonds.

I am deeply committed to transformational change in our health care system and have devoted a large part of my political and professional life to that challenge. The promise of intergenerational commerce is that it not only will make it profitable to avoid crashes in ecosystem services, but, through thoughtful redesign of health, education, transportation, community and social systems, will make profitable to keep people healthy, well educated, gainfully and permanently employed,

and engaged in appealing cultural activities. So while most of the discussion today will be around energy and ecosystem issues, I look forward to future sessions where you take on the identification and measurement of health, education, urban design, transportation and social services.

Then you will be ready to put together the first intergenerational revenue bond to finance a full suite of services that will redevelop some region, or watershed or city, hopefully here in the Northwest, and show the world how it can be done. Oregon loves to be a leader and innovator and I hope will step forward to compete for this promising opportunity.

If a new revenue bond is to come about, we will need to make it possible to deliver intergenerational services that eliminate “bad” things, like poor health, diminished water supplies and fisheries, joblessness, and climate change, and invest in good things like healthy communities, permanent living wage jobs and fully functioning watersheds. Your job today is to make a sound beginning on this new approach by identifying the kinds of services that would need to be measured and delivered in any set of intergenerational service contracts. And to define how the tools of life cycle assessment can be used to develop standards that can’t be gamed by the money currently injected into our economic system by those trapped in its cycle of short term rewards made by beggaring our descendants, by both piling them with debt and leaving them with diminished resources to pay them.

So your charge is to develop an initial list of intergenerational services in as many sectors as you can and to discuss and, if possible, agree on the best way to measure these services so they are scientifically valid and as impervious as possible to gaming by the bought and paid for political system we have today. Only to the extent that the science is valid can your advocates in the political arena get them established without being bent to the advantage of those entrenched in the current system.

Good luck!