

Regenerative Enterprise

Optimizing for Multi-Capital Abundance

Version 1.0

Ethan Roland & Gregory Landua

PRE-RELEASE EXCERPT, MARCH 2013

To learn more, visit 8forms.org

5

Regenerative Enterprise

Chapter

An enterprise is defined as, “a project or undertaking, typically one that is difficult or requires effort,” and “initiative and resourcefulness.” The current business world is saturated with examples of degenerative enterprises (fossil-fuel extraction and power-generation, automobile manufacturing, mining, military companies, etc.), to the extent that it is nearly impossible to function in the so-called ‘developed’ countries without their goods and services. Even as we are writing this book, we are depending on an array of degenerative enterprises!

In the last decade, a slow but growing number of businesses have sought to define themselves as ‘Social Enterprises’ by including positive social objectives into their mission statements and operating procedures. Much of the Corporate Social Responsibility (CSR) movement has focused on this goal of generating social capital within and through the activities of their companies, while still maintaining an un-erring commitment to financial capital profits.

Some companies and organizations have attempted to go a step further, articulating a goal of ‘triple bottom line’ (TBL) profits: economic, environmental, and social. This is an excellent direction to take, and notable exemplars have emerged at different scales: Stonyfield Farms, Dean’s Beans, Aarstiderne (in Denmark), Growing Power, and

others. However, because the current system requires enterprises to create a financial capital profit or fail, most businesses that start out in this direction are forced to reduce their triple bottom line to a single bottom line¹⁷.

Furthermore, even the best TBL companies lack the whole-systems viewpoint provided by the eight forms of capital. Without this lens, they (and the vast majority of all other enterprises) have so far missed several key praxis points that will support the healing and re-growth of our damaged global systems. These are the defining factors of a regenerative enterprise...

5.1 The Four Nurture Capitals

At best, triple-bottom line enterprises tend to 'do no harm' to ecological and social systems, while ensuring their continued financial capital abundance. With looming climate chaos, post-peak petroleum wars, near-peak water & precious metal resources, and rapidly decreasing biodiversity, this simply is not enough.

The pools of valuable resources from which living systems spring (social, cultural, spiritual, and living capital) must be replenished. To do so, they must be nurtured – not pushed, or coerced, or harassed into increasing, but lovingly and carefully supported to re-sprout and re-grow from their already sad, angry, bruised, and mistreated state.

Like killing the proverbial goose for the stash of golden eggs, enterprises cannot continue to ransack the forest for the trees or forcibly re-locate peoples to mine the fuels and ore beneath them. The four 'nurture capitals' can slowly be regenerated on the local, bioregional, and global scale – as long as the enterprises that exist in them learn to nurture their healthy expression and growth.

A regenerative enterprise does not harvest the root of the tree of production, only its fruit. They gather the unique place-based goods and services that are emergent properties of healthy eco-cultural systems, while simultaneously nurturing the system's ability to thrive. The regenerative enterprise helps to grow the roots deeper and wider,

healing the damage that has been done and eventually creating the possibility of new and larger fruits.

For example, consider New Forest Farm in Wisconsin. The dominant agriculture system in this area of the midwestern United States continues to strip living capital out of the ecosystem. Financial capital yields are significant for large agribusiness companies, but continue to impoverish local communities and decrease the organic matter content of soils. New Forest Farm reverses the trend by increasing organic matter and fertility in the soil through permaculture farming practices - nurturing living capital back towards health. By harvesting the emergent wealth of the healthy system, the farm also produces financial, material, and intellectual capital profits¹⁸.

A regenerative enterprise must cultivate the fundamental health of the four nurture capitals in order to optimize long-term production of all eight forms of capital.

5.2 Financial Capital to Living Capital

In order to begin restorative development at any scale, regenerative enterprises must identify and reverse the currently predominant inter-capital flows that are degrading ecological, social, and cultural systems. At a macro level there is one primary flow which, once reversed, will act as a leverage point to restore holistic health and the foundation of wealth for our global society.

This is the flow between living capital and financial capital: living capital is systematically damaged and destroyed in order to build financial capital. From mountain-top-removal coal mining, to rainforest clear-cutting, to chemical-based monoculture farming, to ocean over-fishing, to the entire fossil fuel extraction and combustion industry¹⁹: Living capital decreases, financial capital increases. What would it look like if this trend were reversed?

One exemplar to consider is Polyface Farms in Virginia, USA. On this farm, the Salatin family grows a diversity of grass-based animal products (primarily rabbits, chickens, turkeys, pigs, and cattle) in a way that continually improves the quality and productivity of their land,

creates multiple jobs, and earns significant amounts of financial revenue.

Because they are building their soil, catching and storing water, and increasing the health of their forests while they sell top-quality grass-fed meat, their farm system converts financial capital from degenerative systems into vibrant living capital.

A regenerative enterprise can certainly obtain a financial capital profit in the process of regenerating local ecosystems, but the majority of financial capital flowing through the enterprise will be transformed or invested into long-term living, social, and cultural resilience. Polyface Farms annually earns two million dollars in sales, which they flow back into the land (growing their herds, digging multi-functional ponds, building new infrastructure) and the local community (through jobs, feed purchases, and professional services)²⁰. As Mark Shepard of New Forest Farm writes in *Restoration Agriculture*,

*“Degrade the ecology and degrade the economy.
Restore the ecology and restore the economy.”²¹*

A regenerative enterprise flows financial capital **out** of the current destructive economic system. The financial capital flows **in** to non-financial forms of capital, especially living capital.

This financial capital does not disappear. In fact, regenerative enterprises can create significant long-term financial returns, as demonstrated with Windhorse Farms in Chapter 4. Their farm shows the balance between long-term financial return and reinvestment in the living capital foundation that generates the surplus in the first place. Financial capital returns should be continuously re-invested into cultivating the health and resilience of living, cultural, social and spiritual capital, not extracted for the purpose of creating financial or material capital that has no function outside the regenerative context.

5.3 External & Internal Development

So far, we have concentrated primarily on the external manifestations of degenerative, sustainable and regenerative systems. Underlying the eight forms of capital is another map...

...Want to read more?

Book & eBook
Release **April 18th**

8Forms.org