



John Elkington talks to **Yvon Chouinard**

Surfing Tomorrow's Waves



We welcomed Yvon Chouinard, founder of Patagonia, Inc., for our first Green Swan conversation. I spoke to him by phone on December 22, 2020. The text was subsequently edited and cleared with Yvon and Patagonia.

Why Yvon Chouinard?

Patagonia has been a rare example of a business that has consistently sought to turn capitalism into a force for good, for progress toward a better world for all. It was an early champion of what we would now call the Regenerative Economy.

Any change agent needs maps, landmarks, and lighthouses to guide them through challenging waters. For decades, Yvon and Patagonia have served that role for me—and for so many others. It was good to have a chance to tell him so.



Rock climber (source: Patagonia)

Yvon Chouinard's life has truly been a road less travelled. As Patagonia tells the tale, he began his business life as a blacksmith—designing, manufacturing, and selling rock climbing equipment in the late 1950s. His tinkering led to an improved ice axe that would become an inspiration for modern ice axe design. In 1964 he produced his first mail-order catalogue, advising potential customers not to expect fast delivery during the climbing season. Not that put people off: today Patagonia is valued at over \$1 billion.

And it would be tempting to put a high value on its impact over time, with Chouinard constantly agitating for change. In 2001, for example, he started [One Percent for the Planet](#)—an alliance of businesses that contribute at least 1 percent of their net annual sales to carefully selected environmental organizations. But this story kicked off long before that, back in 1973.





For a sense of the company's evolution, take a look at this online [history](#). Ever since 1973, just after the peak of the first great environmental pressure wave, Yvon and his company have surfed each successive societal pressure wave—and worked out how to shape them. Indeed, I had long been impressed by how Patagonia routinely led in the annual [surveys](#) of sustainable business leaders run by our Toronto-based friends, GlobeScan. But when I asked Yvon for his thoughts on that achievement, his response was telling:

Yvon Chouinard: You know, I haven't seen any of those rankings. I don't read business magazines. I have been pretty cut off from mainstream business! I know there's a trend toward impact investing, of course. I know that ExxonMobil's stock price has tanked because they remain committed to fossil fuels. And I know that companies like Unilever have been trying to green their operations one division, one business, at a time. They're being careful about it because they have to take their stockholders with them. They don't have the freedom we do.

'I HAVE BEEN PRETTY CUT OFF FROM MAINSTREAM BUSINESS!'

John Elkington: So let's turn back the clock. I sense that we both recall the Sixties as some sort of golden age. The environmental movement was growing like topsy. Almost anything seemed possible. Do you miss those days?

YC: Yeah, but that was also the high point of the fossil fuel age. You could buy a car for 15 dollars and gasoline was 20, 25 cents a gallon. You could drive down from California to Mexico for almost nothing. Live on the beach, go surfing. There was a lot of fat in society—and we lived off that fat. It seemed like we had absolute freedom. At the time, I was just starting out in business, making climbing equipment. Yeah, well, I miss those days!

JE: I recall you comparing entrepreneurs with juvenile delinquents? [The exact quote, from Chouinard's book *Let My People Go Surfing*, was: "If you want to understand the entrepreneur, study the juvenile delinquent. The delinquent is saying with his actions, 'This sucks. I'm going to do my own thing.'"]





YC: True. I have always been a reluctant businessman. [The sub-title of his book was, 'The Education of a Reluctant Businessman.'] I started out with falconry and climbing. Then, I guess when I was about 16, I started surfing. And diving. Then I was a spear fisherman—and went on to kayaking and other sports. So I like to say that when we set up Patagonia and located near the ocean, we left the door open to adventure.

JE: Later on, in 2004, Patagonia ran a series of ads that impressed me at the time. They asked, "Who are businesses really responsible to? Their customers? Shareholders? Employees? We would argue that it's none of the above. Fundamentally, businesses are responsible to their resource base. Without a healthy environment there are no shareholders, no employees, no customers and no business." That was seriously ahead of the curve. You were talking about a much deeper version of the sustainability agenda. About the need not only for environmental protection but for environmental regeneration.

YC: Well, yeah, regeneration has kind of replaced sustainability—that's a word I really hate. Nobody knows what it means!

JE: OK, the word has been degraded. But having set up the company SustainAbility back in 1987, I'm rather more optimistic about the longer term future of the concept. I think sustainability will join words like democracy and liberty as societal compass points. But, people being people, it's obvious that all such terms become diluted, distorted, as they mainstream. People tailor their meanings to their needs. Surely there's now the same risk with regeneration?

'WELL, YEAH, REGENERATION HAS KIND OF REPLACED SUSTAINABILITY— THAT'S A WORD I REALLY HATE. NOBODY KNOWS WHAT IT MEANS!'

YC: It's already happened with *regenerative agriculture*. Companies like General Mills are claiming they're regenerative when they mean organic. Or they're going for crop rotation, for example, but still using chemicals. They're not the same. They're merely not using deadly chemicals and they're calling that regenerative. So it's watered down already.

Same thing's happened with organic. You can buy hydroponically grown strawberries that the producers say are organic. They grow them with chemicals—so they're translucent, you can almost see right through them. And there's a link with taste: a small wild strawberry explodes in your mouth. It probably has more nutrients than those hydroponic giants!





JE: I loved your book *Let My People Go Surfing*. Read it in 2005 or 2006, I think. In the foreword, you said, “We have always considered Patagonia an experiment in doing business in unconventional ways. None of us were certain it was going to be successful, but we did know that we were not interested in ‘doing business as usual.’”

In each of the four companies I have co-founded since 1978 I have pursued what I dubbed “business-as-unusual” in my 1997 book *Cannibals With Forks*. And Patagonia has always been an inspiration in terms of what that might mean—and how it might be done. Then something else you said in the book, from memory, but I’ll drop it in later, was that the only way to lead is by example. And you said that when you have done that it has always worked out.

Here’s the exact text: “Before we are entitled to encourage other companies to act responsibly we have to do so ourselves. There’s only one way to lead, and that’s by being in front and leading by example. Our environmental assessment program educates us, and with education we have choices. When we act positively on solving problems instead of ignoring them or trying to find a way around them, we are further along the path toward sustainability. Every time we’ve elected to do the right thing, it’s turned out to be more profitable.”

‘WE WERE NOT INTERESTED IN DOING BUSINESS AS USUAL.’

So can we take cotton, Yvon, that greedy little plant, as one challenging area where Patagonia faced many challenges? In your book, you had a lot to say on the subject—most of it critical:

One extract: “When we first started looking for alternatives, organic cotton was available from a few family farmers in California and Texas. We experimented. At first we made only T-shirts with organic cotton. Then, after several trips to the San Joaquin Valley, where we could smell the selenium ponds and see the lunar landscape of cotton fields, we asked a critical questions: How could we continue to make products that laid waste to the Earth in this way? In the fall of 1994, we made the decision to take our cotton sportswear 100 percent organic by 1996.”





Activism on wheels (source: Patagonia)

YC: Yeah. You know our mission statement used to be to make the best product and cause no unnecessary harm. I supported that, but it didn't say anything about doing good. Really, what were we doing growing cotton when that same land, those cotton fields, could be used to grow food for people who need it? And if you're going to grow cotton, growing it organically isn't enough. You need to grow it regeneratively. Organic doesn't necessarily grow topsoil—and we have to do that. The way we're going, we'll be out of topsoil by 2050.

So we began to experiment in India. Started with 650 farmers, using cover crops like turmeric and chickpeas. So the farmers were getting two crops—and we were paying them an extra 10% for growing regeneratively. Now it's over 1500 farmers. The thing is, though, it can't be done on an industrial scale. A family can have a good life with an acre and a half of regenerative crops. And that's good news, because with millions of people around the world with nothing to do you can see a future where we have to get back to small-scale farming. You can't turn everyone into computer programmers!

JE: We haven't mentioned COVID-19—how do you see that impacting the change agenda?



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It's Black Friday, the day in the year retail turns from red to black and starts to make real money. But Black Friday, and the culture of consumption it reflects, puts the economy of natural systems that support all life firmly in the red. We're now using the resources of one-and-a-half planets on our one and only planet.

Because Patagonia wants to be in business for a good long time—and leave a world inhabitable for our kids—we want to do the opposite of every other business today. We ask you to buy less and to reflect before you spend a dime on this jacket or anything else.

Environmental bankruptcy, as with corporate bankruptcy, can happen very slowly, then all of a sudden. This is what we face unless we slow down, then reverse the damage. We're running short on fresh water, topsoil, fisheries, wetlands—all our planet's natural systems and resources that support business, and life, including our own.

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WE help find a home for Patagonia gear you no longer need
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WE will take back your Patagonia gear that is worn out
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TOGETHER we reimagine a world where we take only what nature can replace

water, enough to meet the daily needs (three glasses a day) of 45 people. Its journey from its origin as 60% recycled polyester to our Reno warehouse generated nearly 20 pounds of carbon dioxide, 24 times the weight of the finished product. This jacket left behind, on its way to Reno, two-thirds its weight in waste.

And this is a 60% recycled polyester jacket, knit and sewn to a high standard; it is exceptionally durable, so you won't have to replace it as often. And when it comes to the end of its useful life we'll take it back to recycle into a product of equal value. But, as is true of all the things we can make and you can buy, this jacket comes with an environmental cost higher than its price.

There is much to be done and plenty for us all to do. Don't buy what you don't need. Think twice before you buy anything. Go to patagonia.com/CommonThreads or scan the QR code below. Take the Common Threads Initiative pledge, and join us in the fifth "R," to reimagine a world where we take only what nature can replace.

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YC: Well, yeah, that's accelerated everyone's thinking about global warming, among other things. But, you know, the elephant in the room that no-one is talking about is overpopulation. That has to be a factor in why we're getting these viruses.

It's what happens when you crowd animals together. The problem is that there are too many of us—and we're consuming too much, or many of us are.

JE: Which was the Zen-like reasoning behind Patagonia's "[Don't Buy This Jacket](#)" ad?

YC: Yeah, it was. But you know I've got grandchildren, and I'm very pessimistic about whether we are going to get a handle on this climate emergency, or not. This globalism of recent decades has been an empire. And we now live in a time when I personally think the American empire is finished. It's like the break-up of the Soviet Union. You're going to have to get back to growing a garden, growing your own food. I feel sorry for young people who are going to have to live through this.





JE: And yet you keep on keeping on! It seems you didn't read the dictionary definition of retirement? What keeps you going?

YC: Truth is, I'm proud of what we've done. Patagonia is now a billion dollar company, over a billion dollars, and it still has the same values. It pretty well goes on without me, you know. So that's the ultimate test of a teacher. And the secret of our success has been quality, absolute quality. We never compromise on that.

JE: But definitions change over time, don't they? New issues come up, like pollution by nanoparticles. You said earlier that you see your role as constantly reminding colleagues about the need to keep pushing on the quality front. Where did your passion for quality come from?

*'I PERSONALLY THINK THAT THE AMERICAN EMPIRE IS FINISHED.
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YC: From my father. He was a tradesman. He could build an entire house by himself. The electricians, plumbing, carpentry, everything. And he always insisted on having the very best tools. So I'm a critical craftsman. I can look at anything and see how it could be done better.

JE: But I hear you don't like computers?

YC: No. My wife sets up these Zoom calls for me. Generally, I like to be in control—and computers and autonomous cars, they take control away from you. It's completely out of control when some Russian teenager can take this country down. I'm trying to live a simple life and if I had to deal with computers on my own, it would drive me crazy!

JE: You're in your eighties now, Yvon. What's it like being an Elder? How do you feel about teaching the wider world how to do this?





YC: Yeah, well, I'm 82. I'm retired from day-to-day micromanaging. And I have enjoyed teaching; there's a time in your life when you have to be a teacher. I used to go around universities and colleges—was even offered a fellowship at Yale at one point. So I got a high school qualification and could have ended up as a professor at Yale!

But I also discovered that business schools were ignoring the environment. I remember giving a speech at Harvard Business School, some 20 years ago, and a young guy said, "I believe everything you're talking about—but it's the exact opposite of what they're teaching us." I don't do much teaching now, I'm too much of a pessimist. They need mentors who are optimistic, like you!





*'YOU DON'T THROW YOURSELF INTO SURFING BIG WAVES—
YOU WORK YOUR WAY UP TO THAT!'*

JE: Oh I could probably run you a good race on pessimism. But times like these force change. They can make things that seemed impossible both possible and then almost inevitable. But we can't just hand over this mess to the young. It's going to need all age-groups putting their hands to the pumps. So what are you still involved in that would give the us a sense of where genuine hope for the future can be found?

YC: I'm working with a friend who is putting together a portfolio of investments in several companies that work together symbiotically. The first company farms salmon on land in Nova Scotia. Normal salmon farming uses feed that includes anchovies, sardines, and herring mined from the ocean as well as vegetable matter like GMO soybeans and peas. It's an unsustainable disaster.

A second company raises minnows in flooded rice paddies in California. The low oxygen count of the flooded land generates huge amounts of methane gas. But if minnows are introduced, they consume the zooplankton that normally feed on methane-eating phytoplankton. When phytoplankton are allowed to proliferate they capture much of the methane before it can bubble up into the atmosphere. The poop from the fish allows the farmer to use 50% less fertilizer—and capture more carbon per acre of rice paddy than an equivalent area in Amazonia. Moreover, the minnows grow 500% in three months and can then be harvested and processed into fish meal for the farmed salmon.

JE: OK, no-one's going to persuade me you're any kind of pessimist, Yvon. Whatever spurs you on, we should be bottling it! Patagonia, your version of the Ugly Duckling, has played into one Green Swan trend after another. But, through it all, I get a sense that you love being on the edge, experimenting ...

YC: Well, yeah, I approach every problem pretty much the same way. I just jump into it, to see how it feels. But you don't want to take stupid risks. Back to surfing. You don't throw yourself into surfing big waves—you work your way up to that. That's what we need to do with these new experiments in capitalism!



Including 10 More Years
of Business Unusual

let my people go surfing

The Education of a
Reluctant Businessman

Yvon Chouinard

patagonia



If you enjoyed this

Read Yvon Chouinard's pioneering book, [Let My People Go Surfing](#). To get a better sense of Patagonia's history, click [here](#). And if you want to know why Patagonia has concluded that Big Agriculture "is broken", and regenerative agriculture is the key to a better future for all, see [here](#).

