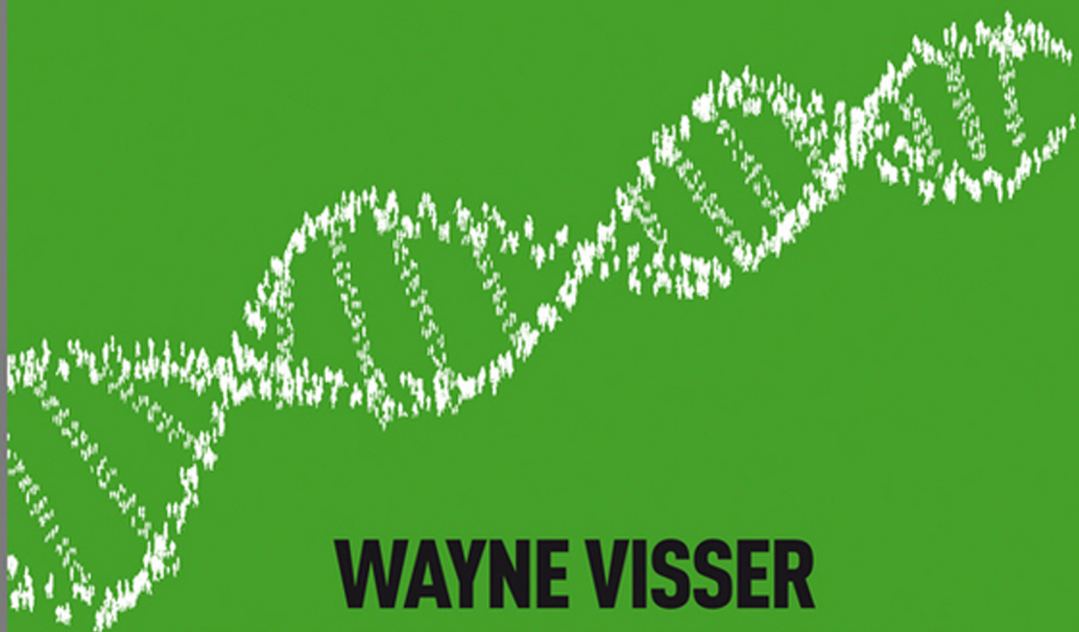


"deserves to become an instant classic"
PHILIP KOTLER

THE AGE OF RESPONSIBILITY

CSR 2.0 and the
New DNA of Business



WAYNE VISSER

FOREWORD BY **JEFFREY HOLLENDER**, CO-FOUNDER, SEVENTH GENERATION

Praise for *The Age of Responsibility*

Wayne Visser's *The Age of Responsibility* elegantly and persuasively demonstrates the limits and failures of traditional CSR and also the kinds of reforms needed to create conditions for genuine corporate responsibility. Rich with insight, information and analyses, and highly readable for its excellent writing and poignant stories, the book is a crucial contribution to understanding where we are with CSR and what we need to do to move forward.

Joel Bakan, author of *The Corporation: The Pathological Pursuit of Profit and Power* (book and documentary film)

Amongst the advocates of CSR as an innovative management approach, Wayne Visser is a well-known voice. This new book states more clearly than most why CSR should not be dismissed, but would benefit from some serious rethinking.

Michael Blowfield, Senior Research Fellow at the Smith School of Enterprise and the Environment, Oxford University and author of *Corporate Responsibility*

The Age of Responsibility is an important book that should be studied carefully by all those seriously interested in the past, present and future of CSR. For me, the most noteworthy contribution is his "ages and stages" of CSR. Visser identifies five overlapping economic periods and classifies their stages of CSR, modus operandi, key enablers, and stakeholder targets. In forward-looking fashion, he crafts five insightful principles of CSR 2.0 and presents his DNA Model of CSR 2.0 which integrates knowledge and sets forth a more inclusive view of CSR. This book is a significant contribution to the theory and practice of CSR and it will be valued by academics and practitioners alike. I strongly recommend it.

Archie B. Carroll, Professor of Management Emeritus, Terry College of Business and co-author of *Business and Society*

A challenging and thought provoking book. In an age when corporate responsibility is a must for most large businesses, Wayne Visser reminds us that global environmental and social pressures show little sign of receding. He asks: are we as practitioners complacent, or worse, part of the problem? There is hope and optimism but only if we are brave and bold enough to re-engineer corporate responsibility. Read on . . .

Yogesh Chauhan, Chairman of the Corporate Responsibility Group and BBC Chief Adviser Corporate Responsibility.

An authoritative tome on the CSR movement. It provides a comprehensive framework to understand the various stages of (and motivations for) CSR in organizations and the economy to date, and a clear vision of what a truly sustainable and responsible tomorrow entails. This is an eminently well-researched and well-structured book that flows coherently with deep insights and valuable vignettes.

Willie Cheng, author of *Doing Good Well: What does (and does not) make sense in the nonprofit world.*

The Age of Responsibility provides a much-needed wake up call for the corporate responsibility movement. This highly readable account of where CSR has gone wrong and where it needs to go next is essential reading for anyone interested in the role business can play in creating a just and sustainable society. This is the best CSR book you'll read all year.

Andrew Crane, George R. Gardiner Professor of Business Ethics at Schulich School of Business, York University and co-author of *Business Ethics*

The Age of Responsibility breathes new life into CSR, both by redefining it as Corporate Sustainability and Responsibility and by highlighting why CSR has so far failed to make much difference in the way companies respond to pressing global challenges. In his inimitable style, using clear frameworks and illustrative case studies, Wayne Visser brings real insight to a complex set of ideas at a time when they are needed most. Bring on CSR 2.0!

Polly Courtice, Director of the University of Cambridge
Programme for Sustainability Leadership

In this time of seemingly widespread corporate malfeasance Wayne Visser has put his finger on why CSR has failed to deliver on its promise and what can be done to right the ship. *The Age of Responsibility* is a must read for anyone concerned about the future of business.

Bob Doppelt, Executive Director of The Resource Innovation Group
and The Climate Leadership Initiative

CSR 1.0 did remarkably well through the latest Great Recession, despite having precariously little to say on the big issues of the day and no ready-to-go blueprint for economic transformation. As a result, we are seeing a massive reboot going on in the CSR industry – and Wayne Visser is a consistently reliable guide to (and champion of) the emerging CSR 2.0 mindsets and practices.

John Elkington, Co-Founder and Director of Volans Ventures
and co-author of *The Power of Unreasonable People*

It is difficult to run a sustainable business in an unsustainable world. So forget about the defensive, charitable, promotional and strategic versions of CSR. *The Age of Responsibility* is a call for companies to shift to CSR 2.0 – where success is judged by improvements in the overall socio-cultural, economic and ecological systems. If not, CSR will continue to fail, argues Wayne Visser. With an array of cases Visser guides you through the evolution of business responsibility – from the Ages of Greed, Philanthropy, Marketing and Management to the Age of Responsibility – and shares the five principles of sustainable business actions. Wayne Visser's insightful book is at the same time a compelling personal story about the existential questioning of whether or how it is possible to make a difference through CSR.

Tania Ellis, international speaker, business advisor
and author of *The New Pioneers*

Through a concise analysis of recent economic history and through the wisdom of parables, Visser's book offers an illuminating analysis of the heart of greed—and of the path our institutions can take to move from corporate responsibility as a form of occasional philanthropy to an ethic of responsibility that is radically transformative. Visser's new economic myth or meta-narrative creates a compelling vision of a possible sustainable world.

Betty Sue Flowers, Professor Emerita at the University
of Texas at Austin and co-author of *Presence: An Exploration
of Profound Change in People, Organizations, and Society*

Wayne Visser has rightly identified responsibility as one of the defining issues of our time. Executives, students and citizens should read this book, and make it an integral part of our conversation about business.

Ed Freeman, Director of the Business Roundtable Institute
for Corporate Ethics at the University of Virginia Darden School
of Business and author of *Strategic Management: A Stakeholder Approach*

High marks for Wayne Visser who brings us a book that both challenges the conventional state of CSR in very fresh and bold fashion, and offers a provocative new vision of CSR 2.0. What is most energizing about this book is that it provides a well documented historical and analytical framework on the progression of CSR over the past century. But in analyzing the current state of CSR, it recognizes that despite amazing achievements and progress, CSR has to leap frog into a new world, one that recognizes the new DNA of business, and one that calls for a CSR 2.0 that goes far beyond the models that currently exist. The new Principles of CSR 2.0 that Visser puts at the heart of this book provide the business community and the CSR world a new path for incorporating the complexity of the social and environmental issues that confront today's corporation, a CSR that can serve as a more transformative force for economic and social sustainability. What a refreshing and creative read! There are few books that can cut to the chase and provide a thoughtful analysis of the current state of CSR while at the same time opening up a vision for tomorrow. This is a contribution to the CSR world that is long overdue and most welcome.

Brad Googins, Associate Professor in Organisation Studies
at the Carroll School of Management, and former Director
of the Boston College Center for Corporate Citizenship

Your new book deserves to become an instant classic. It brings together so many ideas, writings, and stages in the development of CSR. It is a liberal education on the relation of business to society. I hope that it is read not only by companies but becomes a required reading in business schools to prepare business students for a higher level of thinking about their future role and impact. I am happy to endorse the book: A most impressive book! I will recommend it to every company to figure out why they are practicing CSR and how to really practice it to make a difference to their profits, people, and the planet.

Philip Kotler, S. C. Johnson and Son Distinguished Professor
of International Marketing at Kellogg School of Management,
Northwestern University and author of *Corporate Social Responsibility*

The Age of Responsibility will change the way you think about CSR, allowing you to discard myths and to work towards a systemic view of CSR. Wayne Visser holds up a mirror to the CSR community and to business and society itself, providing a brilliant lens with which to see our past and envision a new future. Visser projects a new type of CSR he terms "CSR 2.0". *The Age of Responsibility* is a call to arms: inspiring, engaging and visionary.

Deborah Leipziger, author of *The Corporate Responsibility Code Book*
and *SA8000: The Definitive Guide to the New Social Standard*

The Age of Responsibility and its proposed CSR 2.0 – perhaps better called Systemic or Radical Corporate Sustainability and Responsibility – shows, in the same way that Natural Capitalism does, that reinventing our industrial model is not only imperative – socially, environmentally, economically and morally – but also a great opportunity for those pioneers that blaze the trail.

L. Hunter Lovins, President of Natural Capitalism Solutions
and co-author of *Natural Capitalism*

Whether corporate social responsibility has failed, or whether it is still finding its feet pending further market pull, one thing is clear: without a life-giving understanding of responsibility as the ability to respond there's no point to anything. Wayne Visser does us all a service in exploring the opportunities and challenges that such responsibility entails.

Alastair McIntosh, Professor at the Centre for Human Ecology,
Strathclyde University and author of *Hell and High Water*

All individuals interested in the evolution of Corporate Sustainability and Responsibility should feel compelled to join Wayne Visser in his quest to better understand why efforts to implement CSR practices have not yet yielded the desired outcomes. In *The Age of Responsibility*, he draws on his gift for language and storytelling to lay out the case for a new kind of CSR – CSR 2.0. Using Web 2.0 as a metaphor, Visser identifies the interconnectedness of humans in their efforts to define what the world of business should look like. The journey is thought provoking, an education on where CSR has been and where it needs to go and a story imploring the reader to seek out “a unique and invaluable way to make a difference through CSR”.

Josetta McLaughlin, Associate Professor of Management
at Walter E. Heller College of Business Administration,
Roosevelt University

The good news: Business is shifting from making money in the simplest way possible towards solving global problems and making money in the process. The bad news: Progress is slow. Wayne Visser paints the big picture using an astounding amount of detailed knowledge.

Jorgen Randers, Professor of Climate Strategy
at the Norwegian School of Management and co-author
of *Limits to Growth: The 30-Year Update*

A world based on rights without responsibility can only lead to destruction. And when the rights are unbridled rights of giant corporations they trample on the earth and people. Wayne Visser's *The Age of Responsibility* calls for a vital shift from rights to responsibility. It is a must read for all.

Vandana Shiva, author of *Earth Democracy* and *Soil Not Oil*

CSR 2.0 is a great concept. Good luck with it. And as Wayne Visser rightly adds: smart government regulation is absolutely essential.

Ernst von Weizsäcker, author of *Factor 5: Transforming the Global Economy through 80% Improvements in Resource Productivity*

The book is a thought provoking and cutting edge addition to the CSR literature. It integrates strategic and stakeholder perspectives to provide a new model of implementing change and innovative thinking. In extending the paradigm of CSR it promotes the role of leaders in bringing about positive societal change through stakeholder engagement and it does so through an understanding of the practical issues facing business leaders of today. Moreover, it challenges every one of us to think and act differently, to bring about mass global change enacted at the local level, and to incorporate social enterprises and social networks in this transformation. The global financial crisis has further reinforced the timeliness of this book and its arguments of a new way of thinking and acting in the area of sustainability and responsibility to bring about systemic change.

Suzanne Young, Associate Professor and Director of Corporate
Responsibility and Global Citizenship at the Graduate
School of Management, La Trobe University

The Age of Responsibility

**CSR 2.0 and the New
DNA of Business**

Wayne Visser, PhD



A John Wiley & Sons, Ltd, Publication

This edition first published in 2011
Copyright © 2011 John Wiley & Sons Ltd

Registered office

John Wiley & Sons Ltd, The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ,
United Kingdom

For details of our global editorial offices, for customer services and for information about how to apply for permission to reuse the copyright material in this book please see our website at www.wiley.com

The right of the author to be identified as the author of this work has been asserted in accordance with the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by the UK Copyright, Designs and Patents Act 1988, without the prior permission of the publisher.

Wiley also publishes its books in a variety of electronic formats. Some content that appears in print may not be available in electronic books.

Designations used by companies to distinguish their products are often claimed as trademarks. All brand names and product names used in this book are trade names, service marks, trademarks or registered trademarks of their respective owners. The publisher is not associated with any product or vendor mentioned in this book. This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold on the understanding that the publisher is not engaged in rendering professional services. If professional advice or other expert assistance is required, the services of a competent professional should be sought.

Library of Congress Cataloging-in-Publication Data

Visser, Wayne.

The Age of Responsibility : CSR 2.0 and the New DNA of Business / Wayne Visser.
p. cm

Includes bibliographical references and index.

ISBN 978-0-470-68857-1 (hardback)

1. Social responsibility of business—Case studies. I. Title.

HD60.V56 2011

658.4'08—dc22

2010050390

A catalogue record for this book is available from the British Library.

ISBN 978-0-470-68857-1 (hardback), ISBN 978-1-119-97099-6 (ebk),

ISBN 978-1-119-97338-6 (ebk), ISBN 978-1-119-97339-3 (ebk)

Typeset in 9.5/15pt Bitstream by Thomson Digital, Noida, India

Printed in Great Britain by TJ International Ltd, Padstow, Cornwall, UK

Contents

List of boxes, cases, figures and tables ix
Foreword by Jeffrey Hollender xi
Acknowledgements xvii
About the author xviii

Part I: The call to responsibility 1

1 Our ability to respond 3

Part II: The ages and stages of CSR 21

2 The age of greed 23
3 The age of philanthropy 49
4 The age of marketing 73
5 The age of management 95
6 The age of responsibility 131

Part III: The principles of CSR 2.0 153

7 The principle of creativity 155
8 The principle of scalability 189
9 The principle of responsiveness 221
10 The principle of glocality 249
11 The principle of circularity 281

CONTENTS

Part IV: Our ability to change 313

12 The matrix of change 315

13 Making a difference 343

Bibliography 367

Index 377

Other books by Wayne Visser 390

List of boxes, cases, figures and tables

Boxes

Box 1:	The age of greed – in a nutshell	24
Box 2:	The age of philanthropy – in a nutshell	50
Box 3:	The age of marketing – in a nutshell	74
Box 4:	The age of management – in a nutshell	96
Box 5:	The age of responsibility – in a nutshell	132
Box 6:	The principle of creativity – in a nutshell	156
Box 7:	The principle of scalability – in a nutshell	190
Box 8:	The principle of responsiveness – in a nutshell	222
Box 9:	The principle of glocality – in a nutshell	250
Box 10:	The principle of circularity – in a nutshell	282
Box 11:	The matrix of change – in a nutshell	316

Cases

Case 1:	Larry McDonald and Lehman Brothers	25
Case 2:	John D. Rockefeller and Standard Oil	51
Case 3:	John Browne and BP	75
Case 4:	Cadbury Brothers and Cadbury	97
Case 5:	Ray Anderson and Interface	133
Case 6:	Anurag Gupta and A Little World	157
Case 7:	Lee Scott and Wal-Mart	191
Case 8:	HRH The Prince of Wales and the Corporate Leaders Group on Climate Change	223
Case 9:	AIESEC and me	251
Case 10:	Yvon Chouinard and Patagonia	283

Figures

Figure 1: Archie Carroll's CSR pyramid	110
Figure 2: CSR pyramid for developing countries	265
Figure 3: Four basic types of change	324
Figure 4: Types of inventive change	325
Figure 5: Types of intentional change	326
Figure 6: Types of evolutionary change	328
Figure 7: Types of revolutionary change	329
Figure 8: Ainger's organizational change matrix	333

Tables

Table 1: The ages and stages of CSR	18
Table 2: The curses of CSR 1.0	123
Table 3: Similarities between Web 1.0 and CSR 1.0	144
Table 4: Similarities between Web 2.0 and CSR 2.0	145
Table 5: CSR 1.0 to CSR 2.0 – macro-shifts	148
Table 6: CSR 1.0 to CSR 2.0 – micro-shifts	149
Table 7: DNA model of CSR 2.0	150
Table 8: Ten paths of the future for CSOs	242
Table 9: Myths about CSR in developing countries	262
Table 10: Local drivers of CSR	269
Table 11: Global drivers of CSR	271
Table 12: Characteristics of CSR change agents	353

FOREWORD

BY JEFFREY HOLLENDER

Seeing farther, going further

In the beginning, responsible businesses were going to save the world. I remember because I was there. It was the late 1980s, and a new brand of socially and environmentally benevolent companies were emerging on the corporate landscape. The Body Shop, Ben & Jerry's, Patagonia, and my own company, Seventh Generation, to name just a few, were out not only to make money but to fundamentally change the way things worked doing it.

Driven by equal parts societal need and personal desire, and an ethos carried on patchouli smoke from the late 1960s, these companies were founded by entrepreneurs who confronted the regressive bent of the Reagan era with a determination to create a different operating model for the business community. This new paradigm would reconcile the historic

conflict between corporate profits and cultural progress by selling products and services whose creation took every possible precaution to safeguard the environment and respect the rights and dignity of the people responsible for bringing them to market.

Those were heady days. We thought we could save the world and earn a living doing it. The idea seemed obvious and its execution relatively straightforward. And though the things we were doing had largely never been tried, every time one of them worked, the possibilities appeared even more endless than before. By the time of the big 20th anniversary of Earth Day in 1990, it was clear that corporate responsibility was a concept whose time had come. People the world over were eager for an evolutionary change from business-as-usual and the harm it was causing, and we were sure that it was only matter of time before the rest of the corporate world beat a path to our doorstep

Indeed, the business community did come knocking. Flash forward two decades, and it's rare to find a company of any appreciable size that doesn't offer a corporate responsibility (CR) report or tout some kind of progressive initiative. There are CR officers sitting in executive suites around the world and conferences on the subject well attended by Fortune 500 companies. Touchy-feely ad campaigns and self congratulatory press conferences abound. And some days it seems like nearly every product label has something to say about the change the goods within are helping to create.

Yet by virtually every measure, the world is in worse shape than it's ever been. Our atmosphere is overburdened with dangerous levels of greenhouse gases. Our planet's biodiversity and its ecosystems are under siege. Growing numbers of people are living in increasing poverty. Deadly toxins pollute our land and our bodies, yet health care remains a distant dream for far too many. We're running out of water. We're running out of natural resources. And we're running out of time.

So what happened?

The short answer is not enough. As the CR movement spread to the corporate mainstream, it lost its focus. What started as a relatively simple set of goals to protect the environment and human rights degenerated into a philanthropic free-for-all in which causes proliferated and an ever-expanding array of do-good choices and options presented itself to business management teams who were already on confusing ground. Corporate executives who saw the need for CR failed to adequately help their staffs translate their vision into action, and public expectations about what was truly important were misunderstood or not understood at all. The resulting disconnect between what was needed and what actually got done neutered too many promising efforts.

At the same time, countless companies did what companies do: they created an office or a department to deal with CR and told it to grow CR initiatives. But this compartmentalized approach had the effect of decoupling innumerable CR agendas from their company's actually daily workings and left programs trapped "inside the box" where nothing meaningful could happen.

In other cases, companies simply co-opted CR for their own purposes. This "greenwashing" was all about hype and appearance rather than honesty and action, and too many firms simply sought CR window dressing to help them look better in an increasingly informed world. They released fancy reports with pretty pictures. They had their CEOs photographed at CR conferences and summits. They purchased smaller more legitimately responsible companies for their halo effect and little more. But very rarely did they walk their talk.

Ironically, forces like these resulted in the one thing that CR supporters and naysayers can agree on: corporate responsibility in its present incarnation has been an enormous disappointment at best. It has not lifted people out of poverty. It has not protected the environment. It has not boosted community wellbeing. It has been too little, too late and at most has succeeded in getting some companies to aspire to simply do less damage than they did before. Instead of changing the world, CR merely evolved into a baseline

requirement in every company's license to operate. Where it succeeded, it only managed to slow the rate of decay, which is hardly enough to do much more than maintain the status quo.

This, say CR's detractors, is proof that the movement's fundamental ideal—that a business can remake itself so as to create an overwhelming net benefit for society and the environment in addition to its own bottom line—is not a valid model for moving forward and tackling the extremely big issues we now need to address.

But that's wrong, and in this book, Wayne Visser shows us not only why but where we go from here. CR remains a valid approach ripe with promise and possibility. Yet as Visser quite importantly notes, this reaffirmation is dependent on the emergence of a new form of CR that takes a far more holistic view of its work and seeks not to affect piecemeal change but to engineer a series of systemic corrections that wisely recognize that since all our problems are connected our solutions must be, too. The job of CR advocates is to pull these new values into every last corner of the world's companies in order to impact each process and decision, and deliver a return on *purpose* as well as a return on investment.

Because though much has changed in the last 25 years, one thing hasn't: business is still the only force with the reach and resources to do what needs to be done as quickly and efficiently as possible.

After watching America's political process devolve in recent years into what is essentially an oversized argument punctuated by self-serving bursts of alarming obstructionism, it's clear that government is not the answer. Real leadership in Washington and other political capitals has long since been replaced by fearful strategic triangulation that replaces big ideas and bold action with anemic incremental change.

Nor are NGOs an effective alternative. There are too many of them too narrowly focused and too often at odds with each other. Even when added up, the non-profit world simply hasn't the authority, influence, or financial base to engineer change on a mass scale.

That leaves business as the only force in today's world that's got it all: a universal presence, an ability to get things done quickly and on as little as a CEO's say-so, and the economic clout required to engineer widespread systemic change with remarkable speed. Business is our best and indeed last hope, and it's time to put that hope to the test.

As this book wisely notes, change is no longer a matter of choice. Our present trajectory tells us it's coming whether we want it to or not. The only question is what form this change is going to take. If the corporate community fails to adopt and embrace meaningful CR, those changes will be grim indeed, and the world that will emerge may very possibly be too environmentally degraded and socially unstable for business to survive at all.

Business needs CR as much as the world itself does. This book is how we get to that better future. The journey starts with Visser's critical dissection of the role that business has played in the development of the many challenges we face and the first-generation failures of the CR movement to prevent them. It's as key an instructive moment as the movement has ever had, and we will do well to heed the important lessons this analysis brings to the table.

Yet it's when Visser looks at where we go from here that the book you are holding offers its biggest payoff. Upon seeing that the first iteration of CR was not enough, we could easily be left wondering what to do next. Having once given it our all, what's left to give? In Visser's view, the answer is plenty, and I agree. Rather than be frustrated by our previous lack of meaningful success, this roadmap to a more sane and just future offers ideas to get excited about. Visser's vision of what a new brand of CR could and should look like and his exploration of the kind of businesses it would breed is the medicine the movement has been seeking. It's at once a way out and way forward. We would be foolish in the extreme not to take it to heart and put it to work.

Over twenty years ago, a handful of individuals at a ragged assortment of companies tried to start a revolution. You're holding the book that can finish it. Take what it knows and use this wisdom to set your own business on

FOREWORD

the path to a better and more profitable place. Whether you're a CEO in a corner office or a worker on the line, read it, learn it, and spread its gospel as far and wide as you can. The hour may be late and the clock loudly ticking, but the story of responsible business is not over yet. There's still room for a happy ending. And the time has come for us to write it for ourselves.

Jeffrey Hollender
Co-Founder, Seventh Generation
Charlotte, VT
October 2010

Acknowledgements

As this book is the fruit of my efforts in corporate sustainability and responsibility (CSR) – through studies and work – over the past 20 years, there are too many people to thank individually.

However, I would like mention colleagues at Cap Gemini (*Stephen Asbury*) and KPMG (*Petrus Marais, Shireen Naidoo, George Molenkamp* and *Michael Kelly*), as well as fellow scholars at the Universities of Cape Town (*Vic Razis* and *Bruce Phillips*), Nottingham (*Jeremy Moon* and *Wendy Chapple*), York (*Andrew Crane* and *Dirk Matten*), La Trobe (*Suzanne Young*) and Cambridge (*Polly Courtice* and *Mike Peirce*).

Some of the quotations from thought leaders in the book are taken from interviews I conducted as part of the University of Cambridge Programme for Sustainability Leadership ‘Top 50 Sustainability Books’ project in 2008, an opportunity for which I am most grateful.

I would like to thank *Josetta McLaughlin* from Roosevelt University for her detailed review of the manuscript and helpful suggestions for improvement.

As ever, I am grateful to my family, who are a wellspring of encouragement, and my beloved *Indira*, who inspires me daily and is unfailing in her support.

About the author



Dr Wayne Visser is Founder and Director of the think-tank CSR International and the author/editor of twelve books, including nine on the role of business in society, such as *The A to Z of Corporate Social Responsibility* and *The World Guide to CSR*.

In addition, Dr Visser is Senior Associate at the University of Cambridge Programme for Sustainability Leadership, Visiting Professor of Sustainability at Magna Carta College, Oxford, and Adjunct Professor of CSR at La Trobe Graduate School of Management, Australia. Before getting his PhD in Corporate Social Responsibility (Nottingham University, UK), Dr Visser was Director of Sustainability Services for KPMG and Strategy Analyst for Cap Gemini in South Africa.

His other qualifications include an MSc in Human Ecology (Edinburgh University, UK) and a Bachelor of Business Science with Honours in Marketing (Cape Town University, South Africa). Dr Visser lives in London, UK, and enjoys art, writing poetry, spending time outdoors and travelling in his home continent of Africa.

In 2010, Dr Visser completed a 20 country 'CSR Quest' World Tour, to share best practices in corporate sustainability and responsibility. A full biography and much of his writing and art is on www.waynevisser.com. He will continue to upload new content on CSR 2.0 at <http://ageofresponsibility.blogspot.com> and www.csrinternational.org. If you wish to contact Dr Visser and share your own experience of CSR 2.0, or book him for a presentation, you can email him at wayne@waynevisser.com.

You can also follow him on Twitter (WayneVisser).

PART



The call to responsibility

Our ability to respond

We have the Bill of Rights. What we need is a Bill of Responsibilities.

—Bill Maher

It is easy to dodge our responsibilities, but we cannot dodge the consequences of dodging our responsibilities.

—Josiah Charles Stamp

Let everyone sweep in front of his own door, and the whole world will be clean.

—Johann Wolfgang von Goethe

In times like these men should utter nothing for which they would not be willingly responsible through time and in eternity.

—Abraham Lincoln

The meaning of responsibility

Do you sigh when you hear the word *responsibility*? Perhaps responsibility is even a dirty word in your vocabulary. Perhaps you associate it with burdens and restrictions; the opposite of being carefree and without obligations. But responsibility doesn't have to be a chore, or a cage. It all depends how you think about it.

Responsibility is literally what it says – our ability to respond. It is a choice we make – whether to be attentive to our children's needs, whether to be mindful of the plight of those less fortunate, whether to be considerate of the impact we have on the earth and others. To be responsible is to be proactive in the world, to be sensitive to the interconnections, and to be willing to do something constructive, as a way of giving back.

Responsibility is the counterbalance to rights. If we enjoy the right to freedom, it is because we accept our responsibility not to harm or harass others. If we expect the right to fair treatment, we have a responsibility to respect the rule of law and honour the principle of reciprocity. If we believe in the right to have our basic needs met, we have the responsibility to respond when poverty denies those rights to others.

Taking responsibility, at home or in the workplace, is an expression of confidence in our own abilities, a chance to test our own limits, to challenge ourselves and to see how far we can go. Responsibility is the gateway to achievement. And achievement is the path to growth. Being responsible for something means that we are entrusted with realizing its potential, turning its promise into reality. We are the magicians of manifestation, ready to prove to ourselves and to others what can happen when we put our minds to it, if we focus our energies and concentrate our efforts.

Being responsible for someone – another person – is an even greater privilege, for it means that we are embracing our role as caregivers,

helping others to develop and flourish. This is an awesome responsibility, in the truest sense, one which should be embraced with gratitude, not accepted reluctantly with trepidation. Responsibility asks no more of us than that we try our best, that we act in the highest and truest way we know. Responsibility is not a guarantee of success, but a commitment to trying.

So why is responsibility seen by many as such an onerous burden? Responsibility becomes onerous when choice is removed from the equation, when we do not realize our freedom to act differently, when we forget that we are allowed to say ‘no’. Responsibility becomes pernicious when we take on too much, when we mistakenly think that more is always better, when we take on the guilt and expectations of others. Accepting too many responsibilities is, in fact, irresponsible – for it compromises our ability to respond. *Do few things but do them well* is the maxim of responsibility.

Being responsible also does not mean doing it all ourselves. Responsibility is a form of sharing, a way of recognizing that we’re all in this together. ‘Sole responsibility’ is an oxymoron.

Taking responsibility is a way of taking ownership in our lives, of acknowledging our own hand in the shaping of destiny. Responsibility is the antidote for victimhood.

When we walk with awareness, we realize the enmeshed nature of reality, we see the subtle strands that make up the web of life, we accept that everything is linked to everything else. Responsibility is being conscious of the oneness of existence.

Responsibility, if we manage it well, should never be like the curse of Sisyphus, eternally rolling a rock uphill, but rather a blessing gratefully received. For what can be more joyous than making a positive contribution in the world, or making a difference in someone else’s life?

Responsibility is the set of prints we leave in the sand, the mark of our passage. What tracks will you leave? Where is the place where you can most freely and effectively respond? The choice, as always, is yours.

I wrote these opening words on responsibility in 2005, and I believe they are more relevant today than they were back then. Responsibility is the choice we make to respond with care. This book, then, is a way of taking stock. What choices have we made – in the way we live our lives, in the way we do our work and in the way we run our businesses? How have we responded to the needs of our day – especially the social, environmental and ethical crises we face? And have our actions been taken with care – have we cared about our impacts on others?

I must admit to being slightly surprised (and a little dismayed) to find myself, 10 years after my first book, *Beyond Reasonable Greed*, still singing a similar refrain. I am once again arguing that business needs to ‘shapeshift’, to fundamentally rethink the purpose of business and to put into practice a genuinely sustainable and responsible ethos. There are fundamental differences though. Today, many of the problems are worse, more urgent and backed by more solid scientific evidence. In the interim, there has been a geopolitical shift away from the West, with the potential for more questioning of neoliberal economics and shareholder-driven capitalism. There are also more corporate corpses on the slab, allowing us to examine the nature of our greed disease. At the same time, awareness about our public social and environmental crises is much higher, and there are more genuine corporate sustainability and responsibility pioneers that provide living proof of what health and well-being *could* mean for business and society.

The fact is that now we know better what bad corporate magic looks like and the devastating consequences of practicing it. But we also know that magic spells can be broken by revealing the sleight of hand at work. It is my hope that by sharing some of the insights gained from the past 20 years of CSR wonder and trickery, we can move beyond magic to real responsibility –

responsibility of the kind that makes a tangible, positive, sustained impact on the lives of the world's poor and excluded and that visibly turns the tide on our wholesale destruction of ecosystems and species.

The failure of CSR

But I am getting ahead of myself. First let me say what I understand by CSR. I take CSR to stand for Corporate Sustainability and Responsibility, rather than Corporate Social Responsibility, but feel free use whichever proxy label you are most comfortable with. My definition is as follows: *CSR is the way in which business consistently creates shared value in society through economic development, good governance, stakeholder responsiveness and environmental improvement.* Put another way, *CSR is an integrated, systemic approach by business that builds, rather than erodes or destroys, economic, social, human and natural capital.* Given this understanding, my usual starting point for any discussion on CSR is to argue that it has failed. I will provide the data and arguments to back up this audacious claim in the paragraphs, pages and chapters that follow. But the logic is simple and compelling. A doctor judges his/her success by whether the patient is getting better (healthier) or worse (sicker). Similarly, we should judge the success of CSR by whether our communities and ecosystems are getting better or worse. And while at the micro level – in terms of specific CSR projects and practices – we can show many improvements, at the macro level almost every indicator of our social, environmental and ethical health is in decline.

I am not alone in my assessment. Indeed, Paul Hawken stated in *The Ecology of Commerce* in 1993 that 'If every company on the planet were to adopt the best environmental practice of the "leading" companies, the world would still be moving toward sure degradation and collapse.' Unfortunately, this is still true nearly 20 years later. Jeffrey Hollender, co-founder and former CEO of Seventh Generation, agrees, saying: 'I believe that the vast majority of companies fail to be "good" corporate citizens, Seventh Generation included. Most sustainability and corporate responsibility programs are about being less bad rather than good. They are about selective and compartmentalized "programs" rather than holistic and systemic change.'

In fact, there is no shortage of critics of CSR. For example, in 2004, Christian Aid issued a report called 'Behind the Mask: The Real Face of CSR', in which they argue that 'CSR is a completely inadequate response to the sometimes devastating impact that multinational companies can have in an ever-more globalized world – and it is actually used to mask that impact.' A more recent example is an article in the *Wall Street Journal* (23 August 2010) called 'The Case Against Corporate Social Responsibility', which claims that 'the idea that companies have a responsibility to act in the public interest and will profit from doing so is fundamentally flawed.' This is not the place to deconstruct these polemics. Suffice to say that they raise some of the same concerns I have – especially about the limits of voluntary action and the 'misdirection' that CSR sometimes represents. But I also disagree with many of their propositions – such as the notion that CSR is always a deliberate strategy to mislead, or that government regulation is the only solution to social and environmental problems.

Be that as it may, there are a number of ways to respond to my assertion that CSR has failed. One is to disagree with the facts and to suggest that things are getting better, not worse, as do the likes of Bjørn Lomborg in his *Skeptical Environmentalist* (2001). That is his and your prerogative. However, I find the evidence – some of which is presented below and which is widely available from credible sources like the United Nations – both compelling and convincing. Second, you might argue that solving these complex social, environmental and ethical problems is not the mandate of CSR, nor within its capacity to achieve. My response is that while business certainly cannot tackle our global challenges alone, unless CSR is actually about *solving* the problems and *reversing* the negative trends, what is the point? CSR then becomes little more than an altruistic conscience-easer at best; a manipulative image-management tool at worst.

My approach – and the essence of this book – is to say that while CSR *as it has been practised in the past* has failed, that doesn't mean that a different kind of CSR – one which addresses its limitations and reforms its nature – is destined to fail in the future. Hence, the first part of the book is about where we have gotten to with CSR to date – through the Ages of Greed, Philanthropy, Marketing and Management, using defensive, charitable,

promotional and strategic CSR approaches respectively. The second part of the book then goes on to explore what CSR could (and in my view *should*) be in the Age of Responsibility – namely systemic or radical CSR, which I also call CSR 2.0. Along the way, I cite many best practice case studies, none of which are fully practising systemic CSR, but all of which have pieces of the puzzle that can instruct and inspire.

Our global footprint

Before we get into all that, however, let's start by putting some facts on the table that back up my claim that many of our global challenges are getting worse, not better – beginning with environmental impacts. According to the Global Footprint Network, humanity's ecological footprint, driven by the spread of capitalism and Western lifestyles globally, has more than tripled since 1961. Since the late 1980s, we have been in 'overshoot' – meaning that the world's ecological footprint has exceeded the earth's biocapacity. An ecological footprint analysis shows that while global biocapacity – the area available to produce our resources and capture our emissions – is 2.1 global hectares (ha) per person, the per person footprint is already 2.7 global ha.

The USA and China have the largest national footprints, each in total about 21% of global biocapacity, but US citizens each require an average of 9.4 global ha (or nearly 4.5 Planet Earths if the global population had US consumption patterns), while Chinese citizens use on average 2.1 global ha per person (one Planet Earth). Biocapacity is also unevenly distributed, with eight nations – the United States, Brazil, Russia, China, India, Canada, Argentina and Australia – containing more than half the world total. Population and consumption patterns make three of these countries ecological debtors, with footprints greater than their national biocapacity – the United States (with a footprint 1.8 times national biocapacity), China (2.3 times) and India (2.2 times).

A second environmental indicator is the Living Planet Index, compiled by the Zoological Society of London, which shows a nearly 30% decline since 1970 in nearly 5,000 measured populations of 1,686 species around the world. These dramatic losses in our natural wealth are being driven

by deforestation and land conversion in the tropics (where species have declined by 50%) and the impact of dams, diversions and climate change on freshwater species (35% decline). Pollution, over-fishing and destructive fishing in marine and coastal environments are also taking a considerable toll.

Another indicator of the state of the planet is the UN Millennium Ecosystem Assessment, issued in 2005, which reaches similar conclusions: 60% of world ecosystem services have been degraded; of 24 evaluated ecosystems, 15 are being damaged; water withdrawals have doubled over the past 40 years; and over a quarter of all fish stocks are over-harvested. Since 1980, about 35% of mangroves have been lost; around 20% of corals have been lost in just 20 years and 20% more have been degraded; and species extinction rates are now 100–1,000 times above the background ('natural') rate. So, by all accounts, capitalism is failing spectacularly to control the environmental impacts of the economic activities that it is so successful at stimulating.

What many people fail to appreciate is how uneconomic this environmental destruction really is. For example, a 2010 study conducted for the UN by Trucost found the estimated combined damage of the world's 3,000 biggest companies was worth \$2.2 trillion in 2008 – a figure bigger than the national economies of all but seven countries in the world that year, and equal to one-third of the average profits of those companies. In 2010, The Economics of Ecosystems and Biodiversity (TEEB) study also found that degradation of the Earth's ecosystems and biodiversity due to deforestation alone costs us natural capital worth somewhere between \$1.9 and \$4.5 trillion every year.

Our global weather

Our environmental impacts and associated economic costs are no more dramatically evident than on the issue of climate change. The 4th Assessment Report of the Intergovernmental Panel on Climate Change (IPPC)