

# THE AGES AND STAGES OF CSR

## Towards the Future with CSR 2.0

By Wayne Visser

### Abstract

*This article argues that CSR, as a business, governance and ethics system, has failed. This assumes that success or failure is measured in terms of the net impact (positive or negative) of business on society and the environment. Hence, we need a different kind of CSR if we are to reverse the current direction of many of the world's most pressing social, environmental and ethical trends. The article reviews business's historical progress over the Ages and Stages of CSR: moving through the Ages of Greed, Philanthropy, Marketing and Management, using defensive, charitable, promotional and strategic CSR approaches respectively. It then examines the Three Curses of CSR 1.0 (incremental, peripheral and uneconomic), before exploring what CSR might look like in an emerging Age of Responsibility. This new CSR – called systemic or radical CSR, or CSR 2.0 – is based on five principles (creativity, scalability, responsiveness, glocality and circularity) and forms the basis for a new DNA model of responsible business, built around the four elements of value creation, good governance, societal contribution and environmental integrity.*

### If CSR is the answer, what is the question?

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 provide the data and arguments to back up this audacious claim in my new book, *The Age of Responsibility*, 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.'

### The Ages and Stages of CSR

I have found it useful to view the evolution of business responsibility in terms of five overlapping periods – the Ages of Greed, Philanthropy, Marketing, Management and Responsibility – each of

which typically manifests a different stage of CSR, namely: Defensive, Charitable, Promotional, Strategic and Systemic CSR. My contention is that companies tend to move through these ages and stages (although they may have activities in several ages and stages at once), and that we should be encouraging business to make the transition to Systemic CSR in the dawning Age of Responsibility. If companies remain stuck in any of the first four stages, I don't believe we will turn the tide on the environmental, social and ethical crises that we face. Simply put, CSR will continue to fail.

**Table 1: The Ages and Stages of CSR**

<i>Economic Age</i>	<i>Stage of CSR</i>	<i>Modus Operandi</i>	<i>Key Enabler</i>	<i>Stakeholder Target</i>
Greed	Defensive	Ad hoc interventions	Investments	Shareholders, government & employees
Philanthropy	Charitable	Charitable programmes	Projects	Communities
Marketing	Promotional	Public relations	Media	General public
Management	Strategic	Management systems	Codes	Shareholders & NGOs/CSOs
Responsibility	Systemic	Business models	Products	Regulators & customers

Let me introduce the ages and stages of CSR here briefly. The *Age of Greed* is characterized by *Defensive CSR* in which all corporate sustainability and responsibility practices – which are typically limited – are undertaken only if and when it can be shown that shareholder value will be protected as a result. Hence, employee volunteer programmes (which show evidence of improved staff motivation, commitment and productivity) are not uncommon, nor are targeted expenditures (for example, on pollution controls) which are seen to fend off regulation or avoid fines and penalties.

*Charitable CSR* in the *Age of Philanthropy* is where a company supports various social and environmental causes through donations and sponsorships, typically administered through a Foundation, Trust or Chairman's Fund and aimed at empowering community groups or civil society organizations (CSOs).

*Promotional CSR* in the *Age of Marketing* is what happens when corporate sustainability and responsibility is seen mainly as a public relations opportunity to enhance the brand, image and reputation of the company. Promotional CSR may draw on the practices of Charitable and Strategic CSR and turn them into PR spin, which is often characterized as 'greenwash'.

*Strategic CSR*, emerging from the *Age of Management*, means relating CSR activities to the company's core business (like Coca-Cola's focus on water management), often through adherence to CSR codes and implementation of social and environmental management systems, which typically involve cycles of CSR policy development, goal and target setting, programme implementation, auditing and reporting.

*Systemic CSR* in the *Age of Responsibility* focuses its activities on identifying and tackling the root causes of our present unsustainability and irresponsibility, typically through innovating business models, revolutionizing their processes, products and services and lobbying for progressive national and international policies. Hence, while Strategic CSR is focused at the micro level – supporting social or environmental issues that happen to align with its strategy (but without necessarily changing that strategy) – Systemic CSR focuses on understanding the interconnections of the macro level system – society and ecosystems – and changing its strategy to optimize the outcomes for this larger human and ecological system.

## The Failure of CSR 1.0

Why has CSR 1.0 – those approaches from the Ages of Greed, Philanthropy, Marketing and Management – failed so spectacularly to address the very issues it claims to be most concerned about? In my view, this comes down to three factors – call it the Triple Curse of Modern CSR, if you like.

**Table 2: The Curses of Modern CSR**

<i>Curses</i>	<i>Nature of the Failing</i>
Peripheral CSR	CSR has remained largely restricted to the largest companies, and mostly confined to PR, or other departments, rather than being integrated across the business
Incremental CSR	CSR has adopted the quality management model, which results in incremental improvements that do not match the scale and urgency of the problems
Uneconomic CSR	CSR does not always make economic sense, as the short-term markets still reward companies that externalise their costs to society

### *Curse 1: Incremental CSR*

One of the great revolutions of the 1970s was total quality management, conceived by American statistician W. Edwards Deming and perfected by the Japanese before being exported around the world as ISO 9001. At the very core of Deming's TQM model and the ISO standard is continual improvement, a principle that has now become ubiquitous in all management system approaches to performance. It is no surprise, therefore, that the most popular environmental management standard, ISO 14001, is built on the same principle.

There is nothing wrong with continuous improvement per se. On the contrary, it has brought safety and reliability to the very products and services that we associate with modern quality of life. But when we use it as the primary approach to tackling our social, environmental and ethical challenges, it fails on two critical counts: speed and scale. The incremental approach to CSR, while replete with evidence of micro-scale, gradual improvements, has completely and utterly failed to make any impact on the massive sustainability crises that we face, many of which are getting worse at a pace that far outstrips any futile CSR-led attempts at amelioration.

### *Curse 2: Peripheral CSR*

Ask any CSR manager what their greatest frustration is and they will tell you: lack of top management commitment. This is 'code-speak' for saying that CSR is, at best, a peripheral function in most companies. There may be a CSR manager, a CSR department even, a CSR report and a public commitment to any number of CSR codes and standards. But these do little to mask the underlying truth that shareholder-driven capitalism is rampant and its obsession with short-term financial measures of progress is contradictory in almost every way to the long-term, stakeholder approach needed for high-impact CSR.

The reason Enron collapsed, and indeed why our current financial crisis was allowed to spiral out of control, was not because of a few rogue executives or creative accounting practices, it was because of a culture of greed embedded in the DNA of the company and the financial markets. Whether you agree or not (and despite the emerging research on 'responsible competitiveness'), it is hard to find any substantive examples in which the financial markets consistently reward responsible behaviour.

### *Curse 3: Uneconomic CSR*

Which brings us to Curse 3. If there was ever a monotonously repetitive, stuck record in CSR debates, it is the one about the so-called 'business case' for CSR. That is because CSR managers and consultants, and even the occasional saintly CEO, are desperate to find compelling evidence that 'doing good is good for business', i.e. CSR pays. The lack of corroborative research seems to be no impediment for these desperados endlessly incanting the motto of the business case, as if it were an entirely self-evident fact.

The rather more 'inconvenient truth' is that CSR sometimes pays, in specific circumstances, but more often does not. Of course there are low-hanging fruit – like eco-efficiencies around waste and energy – but these only go so far. Most of the hard-core CSR changes that are needed to reverse the misery of poverty and the sixth mass extinction of species currently underway require strategic change and massive investment. They may very well be lucrative in the long term, economically rational over a generation or two, but we have already established that the financial markets don't work like that; at least, not yet.

### **The Rise of CSR 2.0**

By contrast, as we enter the Age of Responsibility, Systemic CSR – which I also refer to as CSR 2.0 – can be characterised by five principles, namely: Creativity, Scalability, Responsiveness, Glocality and Circularity.

#### *Principle 1: Creativity (C)*

In order to succeed in the CSR revolution, we will need innovation and creativity. We know from Thomas Kuhn's work on *The Structure of Scientific Revolutions* that step-change only happens when we can re-perceive our world, when we can find a genuinely new paradigm, or pattern of thinking. This process of 'creative destruction' is today a well accepted theory of societal change, first introduced by German sociologist Werner Sombart and elaborated and popularised by Austrian economist Joseph Schumpeter. We cannot, to a paraphrase Einstein, solve today's problems with yesterday's thinking.

Business is naturally creative and innovative. What is different about the Age of Responsibility is that business creativity needs to be directed to solving the world's social and environmental problems. Apple, for example, is highly creative, but their iPhone does little to tackle our most pressing societal needs. By contrast, Vodafone's M-PESA innovation by Safaricom in Kenya, which allows money to be transferred by text, has empowered a nation in which 80% of the population have no bank account and where more money flows into the country through international remittances than foreign aid. Or consider Freeplay's innovation, using battery-free wind-up technology for torches, radios and laptops in Africa, thereby giving millions of people access to products and services in areas that are off the electricity grid.

All of these are part of the exciting trend towards social enterprise or social business that is sweeping the globe, supported by the likes of American Swiss entrepreneur Stephen Schmidheiny, Ashoka's Bill Drayton, e-Bay's Jeff Skoll, the World Economic Forum's Klaus Schwabb, Grameen Bank's Muhammad Yunus and Volans Venture's John Elkington. It is not a panacea, but for some products and services, directing the creativity of business towards the most pressing needs of society is the most rapid, scalable way to usher in the Age of Responsibility.

#### *Principle 2: Scalability (S)*

The CSR literature is liberally sprinkled with charming case studies of truly responsible and sustainable projects and a few pioneering companies. The problem is that so few of them ever go to

scale. It is almost as if, once the sound-bites and PR-plaudits have been achieved, no further action is required. They become shining pilot projects and best practice examples, tarnished only by the fact that they are endlessly repeated on the CSR conference circuits of the world, without any vision for how they might transform the core business of their progenitors.

The sustainability problems we face, be they climate change or poverty, are at such a massive scale, and are so urgent, that any CSR solutions that cannot match that scale and urgency are red herrings at best and evil diversions at worst. How long have we been tinkering away with ethical consumerism (organic, fairtrade and the like), with hardly any impact on the world's major corporations or supply chains? And yet, when Wal-Mart's former CEO, Lee Scott, had his post-Katrina Damascus experience and decided that all cotton will be organic and all fish MSC-certified, then we started seeing CSR 2.0-type scalability.

Scalability not limited to the retail sector. In financial services, there have always been charitable loans for the world's poor and destitute. But when Muhammad Yunus, in the aftermath of a devastating famine in Bangladesh, set up the Grameen Bank and it went from one \$74 loan in 1974 to a \$2.5 billion enterprise, spawning more than 3,000 similar microcredit institutions in 50 countries reaching over 133 million clients, that is a lesson in scalability. Or contrast Toyota's laudable but premium-priced hybrid Prius for the rich and eco-conscious with Tata's \$2,500 Nano, a cheap and eco-friendly car for the masses. The one is an incremental solution with long term potential; the other is scalable solution with immediate impact.

### *Principle 3: Responsiveness (R)*

Business has a long track-record of responsiveness to community needs – witness generations of philanthropy and heart-warming generosity following disasters like 9/11 or the Sichuan Earthquake. But this is responsiveness on their own terms, responsiveness when giving is easy and cheque-writing does nothing to upset their commercial appletart. The severity of the global problems we face demands that companies go much further. CSR 2.0 requires uncomfortable, transformative responsiveness, which questions whether the industry or the business model itself is part of the solution or part of the problem.

When it became clear that climate change posed a serious challenge to the sustainability of the fossil fuel industry, all the major oil companies formed the Global Climate Coalition, a lobby group explicitly designed to discredit and deny the science of climate change and undermine the main international policy response, the Kyoto Protocol. In typical CSR 1.0 style, these same companies were simultaneously making hollow claims about their CSR credentials. By contrast, the Prince of Wales's Corporate Leaders Group on Climate Change has, since 2005, been lobbying for bolder UK, EU and international legislation on climate change, accepting that carbon emission reductions of between 50-85% will be needed by 2050.

CSR 2.0 responsiveness also means greater transparency, not only through reporting mechanisms like the Global Reporting Initiative and Carbon Disclosure Project, but also by sharing critical intellectual resources. The Eco-Patent Commons, set up by WBCSD to make technology patents available, without royalty, to help reduce waste, pollution, global warming and energy demands, is one such step in the right direction. Another is the donor exchange platforms that have begun to proliferate, allowing individual and corporate donors to connect directly with beneficiaries via the web, thereby tapping 'the long tail of CSR'.<sup>1</sup>

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<sup>1</sup> This is a reference to *The Long Tail*, by Chris Anderson, as it might apply to CSR. I have written about this elsewhere.

#### *Principle 4: Glocality (2)*

The term 'glocalization' comes from the Japanese word *dochakuka*, which simply means global localization. Originally referring to a way of adapting farming techniques to local conditions, *dochakuka* evolved into a marketing strategy when Japanese businessmen adopted it in the 1980s. It was subsequently introduced and popularised in the West in the 1990s by Manfred Lange, Roland Robertson, Keith Hampton, Barry Wellman and Zygmunt Bauman. In a CSR context, the idea of 'think global, act local' recognises that most CSR issues manifest as dilemmas, rather than easy choices. In a complex, interconnected CSR 2.0 world, companies (and their critics) will have to become far more sophisticated in understanding local contexts and finding the appropriate local solutions they demand, without forsaking universal principles.

For example, a few years ago, BHP Billiton was vexed by their relatively poor performance on the (then) Business in the Environment (BiE) Index, run by UK charity Business in the Community. Further analysis showed that the company had been marked down for their high energy use and relative energy inefficiency. Fair enough. Or was it? Most of BHP Billiton's operations were, at that time, based in southern Africa, home to some of the world's cheapest electricity. No wonder this was not a high priority. What was a priority, however, was controlling malaria in the community, where they had made a huge positive impact. But the BiE Index didn't have any rating questions on malaria, so this was ignored. Instead, it demonstrated a typical, Western-driven, one-size-fits-all CSR 1.0 approach.<sup>2</sup>

Carroll's CSR pyramid has already been mentioned. But in a sugar farming co-operative in Guatemala, they have their own CSR pyramid – economic responsibility is still the platform, but rather than legal, ethical and philanthropic dimensions, their pyramid includes responsibility to the family (of employees), the community and policy engagement. Clearly, both Carroll's pyramid and the Guatemala pyramid are helpful in their own appropriate context. Hence, CSR 2.0 replaces 'either/or' with 'both/and' thinking. Both SA 8000 and the Chinese national labour standard have their role to play. Both premium branded and cheap generic drugs have a place in the solution to global health issues. CSR 2.0 is a search for the Chinese concept of a harmonious society, which implies a dynamic yet productive tension of opposites – a Tai Chi of CSR, balancing yin and yang.

#### *Principle 5: Circularity (0)*

The reason CSR 1.0 has failed is not through lack of good intent, nor even through lack of effort. The old CSR has failed because our global economic system is based on a fundamentally flawed design. For all the miraculous energy unleashed by Adam Smith's 'invisible hand' of the free market, our modern capitalist system is faulty at its very core. Simply put, it is conceived as an abstract system without limits. As far back as the 1960s, pioneering economist, Kenneth Boulding, called this a 'cowboy economy', where endless frontiers imply no limits on resource consumption or waste disposal. By contrast, he argued, we need to design a 'spaceship economy', where there is no 'away'; everything is engineered to constantly recycle.

In the 1990s, in *The Ecology of Commerce*, Paul Hawken translated these ideas into three basic rules for sustainability: waste equals food; nature runs off current solar income; and nature depends on diversity. He also proposed replacing our product-sales economy with a service-lease model, famously using the example of Interface 'Evergreen' carpets that are leased and constantly replaced and recycled. William McDonough and Michael Braungart have extended this thinking in their *Cradle to Cradle* industrial model. Cradle to cradle is not only about closing the loop on production, but about designing for 'good', rather than the CSR 1.0 modus operandi of 'less bad'.

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<sup>2</sup> The index has subsequently been reformed and now runs as a more integrated Corporate Responsibility Index. See [www.bitc.org.uk](http://www.bitc.org.uk).

Hence, CSR 2.0 circularity would, according to cradle-to-cradle aspirations, create buildings that, like trees, produce more energy than they consume and purify their own waste water; or factories that produce drinking water as effluent; or products that decompose and become food and nutrients; or materials that can feed into industrial cycles as high quality raw materials for new products. Circularity needn't only apply to the environment. Business should be constantly feeding and replenishing its social and human capital, not only through education and training, but also by nourishing community and employee wellbeing. CSR 2.0 raises the importance of meaning in work and life to equal status alongside ecological integrity and financial viability.

These principles are the acid test for future CSR practices. If they are applied, what kind of shifts will we see? In my view, the shifts will happen at two levels. At a macro-level, there will be a change in CSR's ontological assumptions or ways of seeing the world. At a micro-level, there will be a change in CSR's methodological practices or ways of being in the world.

**Table 3: CSR 1.0 to CSR 2.0 – Macro Level Shifts**

<i>CSR 1.0</i>	<i>CSR 2.0</i>
Philanthropic	Collaborative
Risk-based	Reward-based
Image-driven	Performance-driven
Specialised	Integrated
Standardised	Diversified
Marginal	Scalable
Western	Global

The macro-level changes can be described as follows: Paternalistic relationships between companies and the community based on philanthropy will give way to more equal partnerships. Defensive, minimalist responses to social and environmental issues will be replaced by proactive strategies and investment in growing responsibility markets, such as clean technology. Reputation-conscious public-relations approaches to CSR will no longer be credible and so companies will be judged on actual social, environmental and ethical performance, i.e. are things getting better on the ground in absolute, cumulative terms?

Although CSR specialists still have a role to play, each dimension of CSR 2.0 performance will be embedded and integrated into the core operations of companies. Standardised approaches will remain useful as guides to consensus, but CSR will find diversified expression and implementation at very local levels. CSR solutions, including responsible products and services, will go from niche 'nice-to-haves' to mass-market 'must-haves'. And the whole concept of CSR will lose its Western conceptual and operational dominance, giving way to a more culturally diverse and internationally applied concept.

**Table 4: CSR 1.0 to CSR 2.0 – Micro-Level Shifts**

<i>CSR 1.0</i>	<i>CSR 2.0</i>
CSR premium	Base of the pyramid
Charity projects	Social enterprise
CSR indexes	CSR ratings
CSR departments	CSR incentives
Product liability	Choice editing
Ethical consumerism	Service agreements
CSR reporting cycles	CSR data streams
Stakeholder groups	Social networks
Process standards	Performance standards

How might these shifting principles manifest as CSR practices? Supporting these meta-level changes, the anticipated micro-level changes can be described as follows: CSR will no longer manifest as luxury products and services (as with current green and fairtrade options), but as affordable solutions for those who most need quality of life improvements. Investment in self-sustaining social enterprises will be favoured over cheque-book charity. CSR indexes, which rank the same large companies over and over (often revealing contradictions between indexes) will make way for CSR rating systems, which turn social, environmental, ethical and economic performance into corporate scores (A+, B-, etc., not dissimilar to credit ratings) and which analysts and others can usefully employ in their decision making.

Reliance on CSR departments will disappear or disperse, as performance across responsibility and sustainability dimensions are increasingly built into corporate performance appraisal and market incentive systems. Self-selecting ethical consumers will become irrelevant, as CSR 2.0 companies begin to choice-edit, i.e. cease offering implicitly 'less ethical' product ranges, thus allowing guilt-free shopping. Post-use liability for products will become obsolete, as the service-lease and take-back economy goes mainstream. Annual CSR reporting will be replaced by online, real-time CSR performance data flows. Feeding into these live communications will be Web 2.0 connected social networks that allow 'crowdsourcing', instead of periodic meetings with rather cumbersome stakeholder panels. And typical CSR 1.0 management systems standards like ISO 14001 will be less credible than new performance standards, such as those emerging in climate change that set absolute limits and thresholds. These practical shifts are summarised below.

### **The DNA Model of CSR 2.0**

Pulling it all together, I believe that CSR 2.0 – or Systemic CSR (I also sometimes call it Radical CSR or Holistic CSR, so use whichever you prefer) – represents a new holistic model of CSR. The essence of the CSR 2.0 DNA model are the four DNA Responsibility Bases, which are like the four nitrogenous bases of biological DNA (adenine, cytosine, guanine, and thymine), sometimes abbreviated to the four-letters GCTA (which was the inspiration for the 1997 science fiction film GATTACA). In the case of CSR 2.0, the DNA Responsibility Bases are Value creation, Good governance, Societal contribution and Environmental integrity.

Hence, if we look at *Value Creation*, it is clear we are talking about more than financial profitability. The goal is economic development, which means not only contributing to the enrichment of shareholders and executives, but improving the economic context in which a company operates, including investing in infrastructure, creating jobs, providing skills development and so on. There can be any number of KPIs, but I want to highlight two that I believe are essential: beneficial products and inclusive business. Does the company's products and services really improve our quality of life, or do they cause harm or add to the low-quality junk of what Charles Handy calls the 'chindogu society'. And how are the economic benefits shared? Does wealth trickle up or down; are employees, SMEs in the supply chain and poor communities genuinely empowered?

*Good Governance* is another area that is not new, but in my view has failed to be properly recognised or integrated in CSR circles. The goal of institutional effectiveness is as important as more lofty social and environmental ideals. After all, if the institution fails, or is not transparent and fair, this undermines everything else that CSR is trying to accomplish. Trends in reporting, but also other forms of transparency like social media and brand- or product-linked public databases of CSR performance, will be increasingly important indicators of success, alongside embedding ethical conduct in the culture of companies. Tools like Goodguide, KPMG's Integrity Thermometer and Covalence's EthicalQuote ranking will become more prevalent.

*Societal Contribution* is an area that CSR is traditionally more used to addressing, with its goal of stakeholder orientation. This gives philanthropy its rightful place in CSR – as one tile in a larger mosaic – while also providing a spotlight for the importance of fair labour practices. It is simply

unacceptable that there are more people in slavery today than there were before it was officially abolished in the 1800s, just as regular exposures of high-brand companies for the use of child-labour are despicable. This area of stakeholder engagement, community participation and supply chain integrity remains one of the most vexing and critical elements of CSR.

Finally, *Environmental Integrity* sets the bar way higher than minimising damage and rather aims at maintaining and improving ecosystem sustainability. The KPIs give some sense of the ambition required here – 100% renewable energy and zero waste. We cannot continue the same practices that have, according to WWF’s Living Planet Index, caused us to lose a third of the biodiversity on the planet since they began monitoring 1970. Nor can we continue to gamble with prospect of dangerous – and perhaps catastrophic and irreversible – climate change.

**Table 5: DNA Model of CSR 2.0**

<i>DNA Code</i>	<i>Strategic Goals</i>	<i>Key Indicators</i>
Value creation	Economic development	Capital investment (financial, manufacturing, social, human & natural capital) Beneficial products (sustainable & responsible goods & services) Inclusive business (wealth distribution, bottom of the pyramid markets)
Good governance	Institutional effectiveness	Leadership (strategic commitment to sustainability & responsibility) Transparency (sustainability & responsibility reporting, government payments) Ethical practices (bribery & corruption prevention, values in business)
Societal contribution	Stakeholder orientation	Philanthropy (charitable donations, provision of public goods & services) Fair labour practices (working conditions, employee rights, health & safety) Supply chain integrity (SME empowerment, labour & environmental standards)
Environmental integrity	Sustainable ecosystems	Ecosystem protection (biodiversity conservation & ecosystem restoration) Renewable resources (tackling climate change, renewable energy & materials) Zero waste production (cradle-to-cradle processes, waste elimination)

A final point to make is that CSR 2.0 – standing for corporate sustainability and responsibility – also proposes a new interpretation for these terms. Like two intertwined strands of DNA, sustainability and responsibility can be thought of as different, yet complementary elements of CSR. Hence, sustainability can be conceived as the destination - the challenges, vision, strategy and goals, i.e. what we are aiming for – while responsibility is more about the journey – our solutions, responses, management and actions, i.e. how we get there. The challenge now is to admit that CSR 1.0 has failed, and to make CSR 2.0 – weaving the strands of sustainability and responsibility – into the new DNA of business.

### Article reference

Visser, W. (2011) The Ages and Stages of CSR: Towards the Future with CSR 2.0, *CSR International Paper Series*, No. 3. First published in *Social Space* 2011.

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**Part of the CSR INTERNATIONAL PAPER Series**  
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