What Can Web 2.0 Teach Us About CSR?

By Wayne Visser

By May 2008, it was clear to me that the evolutionary concept of Web 2.0 held many lessons for CSR. At the time, I declared: 'The field of what is variously known as CSR, sustainability, corporate citizenship and business ethics is ushering in a new era in the relationship between business and society. Simply put, we are shifting from the old concept of CSR – the classic notion of "Corporate Social Responsibility", which I call CSR 1.0 – to a new, integrated conception – CSR 2.0, which can be more accurately labelled "Corporate Sustainability and Responsibility".'

The allusion to Web 1.0 and Web 2.0 is no coincidence. The transformation of the internet through the emergence of social media networks, user-generated content and open source approaches is a fitting metaphor for the changes business is experiencing as it begins to redefine its role in society. Let's look at some of the similarities.

Web 1.0

- A flat world just beginning to connect itself and finding a new medium to push out information and plug advertising.
- Saw the rise to prominence of innovators like Netscape, but these were quickly out-muscled by giants like Microsoft with its Internet Explorer.
- Focused largely on the standardised hardware and software of the PC as its delivery platform, rather than multi-level applications.

CSR 1.0

- A vehicle for companies to establish relationships with communities, channel philanthropic contributions and manage their image.
- Included many start-up pioneers like Traidcraft, but has ultimately turned into a product for large multinationals like Wal-Mart.
- Travelled down the road of "one size fits all" standardisation, through codes, standards and guidelines to shape its offering.

Web 2.0

- Being defined by watchwords like "collective intelligence", "collaborative networks" and "user participation".
- Tools include social media, knowledge syndication and beta testing.
- Is as much a state of being as a technical advance - it is a new philosophy or way of seeing the world differently.

CSR 2.0

- Being defined by "global commons", "innovative partnerships" and "stakeholder involvement".
- Mechanisms include diverse stakeholder panels, real-time transparent reporting and new-wave social entrepreneurship.
- Is recognising a shift in power from centralised to decentralised; a change in scale from few and big to many and small; and a change in application from single and exclusive to multiple and shared.

So what will some of these shifts look like? 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.

Macro Shifts

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 are replaced with proactive strategies and investment in growing responsibility markets, such as clean technology. Reputation-conscious public-relations approaches to CSR are no longer credible and so companies are judged on actual social, environmental and ethical performance (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 is embedded and integrated into the core operations of companies. Standardised approaches remain useful as guides to consensus, but CSR finds diversified expression and implementation at very local levels. CSR solutions, including responsible products and services, go from niche 'nice-to-haves' to mass-market 'must-haves'. And the whole concept of CSR loses its Western conceptual and operational dominance, giving way to a more culturally diverse and internationally applied concept.

Micro Shifts

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), which analysts and others can usefully employ to compare and integrate into 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, instead of periodic meetings of 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.

As our world becomes more connected and global challenges like climate change and poverty loom ever larger, businesses that still practice CSR 1.0 will (like their Web 1.0 counterparts) be rapidly left behind. Highly conscientised and networked stakeholders will expose them and gradually withdraw their social licence to operate. By contrast, companies that embrace the CSR 2.0 era will be those that collaboratively find innovative ways tackle our global challenges and be rewarded in the marketplace as a result.

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