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PART

# The call to responsibility

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CHAPTER

1

# 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 AGE OF RESPONSIBILITY

## 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,

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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?

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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 wellbeing *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.'

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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

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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)

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concluded that global atmospheric concentrations of greenhouse gases (GHGs) have increased markedly since 1750 as a result of human activities. Ice-core records spanning thousands of years show that GHG concentrations today far exceed recent historical levels, with carbon dioxide (CO<sub>2</sub>, the most important GHG) growing from 280 parts-per-million (ppm) in pre-industrial times, to 379 ppm in 2005. This exceeds the natural range over the last 650,000 years. Moreover, the rate of increase in CO<sub>2</sub> concentration has been faster in the last decade than at any point since measurement began.

The spike in carbon emissions is mainly due to fossil fuel use, although changes in land use are also a big factor. Other GHG concentrations like methane have also been increasing. Despite occasional theatrics by climate sceptics, there is overwhelming scientific consensus that the climate system is definitely warming and that human activity is the primary cause. Eleven of the 12 years to 2006 were among the warmest since records began. Trends over 1900 to 2005 indicate significantly increased precipitation in areas such as northern Europe and drying in areas like the Mediterranean. Longer, more intense droughts have been seen since the 1970s and there have been widespread changes in extreme temperatures over the last 50 years. It is highly likely (more than 90% probable) that these changes in the climate system are human-caused and are a result of the increase in GHG concentrations.

The most recent 100-year linear trend shows a 0.74°C increase in temperature in the century to 2005 (which is larger than the 100-year trend of 0.6°C reported in 2001). Overall, the sea level is estimated to have risen by 0.17 metres during the 20th century. A warming of 0.2°C per decade over the next 20 years is predicted and there is a greater than 90% chance that climate changes during the 21st century will exceed the previous century. The current best estimate for the average temperature rise is 1.8°C to 4.0°C by 2100, with a possible range of 1.1°C to 6.4°C.

Specific predictions are also possible. For example, snow cover is expected to decrease and permafrost regions (which store vast amounts of methane) will likely see increases in thaw depth. Temperature extremes, heat

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waves and heavy precipitation events will continue to become more frequent and tropical cyclones are also likely to become more intense. The higher latitudes will probably see more precipitation and most subtropical regions less. Models show that the meridional overturning circulation (ocean conveyor belt) will slow during this century, though it is unlikely to undergo a large, abrupt transition. In addition, there is a greater than 50% chance that human activities have increased the risk of heat waves.

The 2006 Stern Review on *The Economics of Climate Change* concludes that climate change is ‘the greatest market failure the world has ever seen’ and estimates that the cost of action to reduce GHGs and avoid the worst impacts of climate change can be limited to about 1% of global GDP per year if action is immediate and decisive. By contrast, failure to act swiftly will damage economic growth. Specifically, inaction will result in a persistent annual loss of 5% of global GDP. If a wider range of impacts and risks is considered, this could be as high as 20% of GDP, or more.

It is important to emphasize that climate change is not just an environmental issue. A 2009 UNDP report estimates significant impacts of global warming on the world’s 2.6 billion people surviving on less than \$2 a day, including up to 600 million more people facing malnutrition due to the breakdown of agricultural systems resulting from increased exposure to drought, rising temperatures and more erratic rainfall. The report estimates potential productivity losses of 26% by 2060 in semi-arid areas of sub-Saharan Africa, home to some of the highest concentrations of poverty in the world. An additional 1.8 billion people are expected to experience water stress by 2080, with large areas of South Asia and northern China facing a grave ecological crisis as a result of glacial retreat and changing rainfall patterns. In addition, up to 332 million people in coastal and low-lying areas may be displaced by flooding and tropical storm activity, including more than 70 million Bangladeshis, 22 million Vietnamese, and six million Egyptians. Finally, related health effects suggest that as many as 400 million people are likely to face the risk of malaria as a result of climate change. *National Geographic* have also identified dengue fever as a major risk.

## Our global village

The social impacts of our globalization activities are more ambiguous. On the one hand, critics like Naomi Klein, author of *No Logo* and *The Shock Doctrine*, argue that ‘Gucci capitalism’ results in labour exploitation and a ‘race to the bottom’. In other words, capital flows to wherever the social or environmental standards are lowest. Not only this, but capitalism is designed to create the instability that we have seen in the markets, and those that suffer the most from this volatility are always the most vulnerable, namely the poor of the world. On the other hand, there has been undoubted progress in reducing global poverty. The 2010 UN Millennium Development Goals (MDGs) report shows that the number of people in developing regions living on less than \$1.25 a day reduced from 1.8 billion in 1990 to 1.4 billion in 2005, while the overall poverty rate dropped from 46% to 27%.

Looking at specific countries, poverty rates in China are expected to fall to around 5% by 2015. India, too, has contributed to the large reduction in global poverty. Measured at the \$1.25 a day poverty line, poverty rates there are expected to fall from 51% in 1990 to 24% in 2015, and the number of people living in extreme poverty will likely decrease by 188 million. It is in no small part due to these achievements by China and India that the developing world as a whole remains on track to achieve the MDG poverty reduction target by 2015. The overall poverty rate is expected to fall to 15% by 2015, which translates into around 920 million people living under the international poverty line – half the number in 1990.

Other areas of progress have been major advances in getting children into school in many of the poorest countries, especially in sub-Saharan Africa. There have also been remarkable improvements in key interventions. For example, for malaria and HIV control and measles immunization, the number of child deaths has been cut from 12.5 million in 1990 to 8.8 million in 2008. Between 2003 and 2008, the number of people receiving antiretroviral therapy increased tenfold – from 400,000 to 4 million – corresponding to 42% of the 8.8 million people who needed treatment for HIV infection.

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Despite this remarkable progress, however, huge challenges remain. In 2009, 42 million people had been displaced by conflict or persecution, 80% of them in developing countries. The number of people who are undernourished has continued to grow, while slow progress in reducing the prevalence of hunger stalled – or even reversed itself – in the first decade of the century. Furthermore, about one in four children under the age of five are still underweight, mainly due to inadequate access to food, water, sanitation and health services, as well as poor care and feeding practices.

The situation with sanitation provides a window into the challenges that remain. Only about half of the developing world's population has adequate sanitation facilities. Disparities between rural and urban areas are daunting, with only 40% of rural populations covered. The gaps between rich and poor are equally stark: while 77% of the population in the richest 20% of households have acquired improved sanitation facilities, only 16% of those in the poorest households have had similar improvements. Disparities in access to care during pregnancy are also striking, with women in the richest households 1.7 times more likely than the poorest women to visit a skilled health worker at least once before birth. Similarly, in Southern Asia, 60% of children in the poorest areas are underweight, compared to 25% of children in the richest households.

Underscoring the inequality that we still face in the world, Gallup's 2010 global snapshot of wellbeing revealed that the percentage of people who are 'thriving' ranges from a high of 82% in Denmark to a low of 1% in Togo. Africa has the lowest wellbeing, with no country in this region showing a thriving indicator higher than 25%. In fact, of the 41 countries where thriving is 10% or lower, more than half are in Africa. Elsewhere in the world, however, disparities also exist. Thriving in the Americas is highest in Costa Rica (63%) and Canada (62%) and lowest in Cuba (24%) and Haiti (4%). In Europe, self-reported wellbeing is lowest in Bulgaria (6%) and highest in Denmark (82%) and Finland (75%). Similar disparities are evident in Asia. 'Thriving' is 60% or higher in New Zealand (63%), Israel (62%), and Australia (62%) and 10% or lower in 11 nations, with Cambodia at the bottom with 3%.

## Our global dishonesty

One of the socio-economic cancers that aids and abets the poverty and inequality just described is corruption. According to Transparency International's 2009 Corruption Perceptions Index (CPI) – which is a measure of domestic, public sector corruption – the vast majority of the 180 countries included score below five on a scale from 0 (perceived to be highly corrupt) to 10 (perceived to have low levels of corruption). Fragile, unstable states that are scarred by war and ongoing conflict linger at the bottom of the index. These are Somalia, with a score of 1.1, Afghanistan at 1.3, Myanmar at 1.4 and Sudan tied with Iraq at 1.5. Highest scorers are New Zealand at 9.4, Denmark at 9.3, Singapore and Sweden tied at 9.2 and Switzerland at 9.0.

Looking at business, Transparency International's 2009 Global Corruption Barometer found that over half of those polled – with more than 73,000 respondents drawn from 69 countries and territories around the world – believe that the private sector uses bribes to influence public policy, laws and regulations. At the same time, half of the respondents expressed a willingness to pay a premium to buy from corruption-free companies. The Barometer also found that the poorest families continue to be punished by petty bribe demands. Across the board, low-income respondents were more likely to be met with bribe demands than high-income respondents. Furthermore, only three in ten respondents believed their government's efforts to fight corruption were effective, although opinion in sub-Saharan Africa was notably more positive than in other regions.

According to another of Transparency International's indexes – the 2008 Bribe Payers Index (BPI) – companies based in the emerging economic giants are perceived to routinely engage in bribery when doing business abroad. For example, Russia ranked last with a score of 5.9 (where 10 represents no corruption), just below China (6.5), Mexico (6.6) and India (6.8). At the other end of the spectrum, Belgium and Canada shared first place with a score of 8.8, while the Netherlands and Switzerland shared third place on the index with 8.7. Transparency International estimates

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that bribery, cartels and other corrupt practices undermine competition and contribute to a massive loss of resources for development in all countries, especially the poorest ones. For example, between 1990 and 2005, more than 283 private international cartels that cost consumers around the world an estimated \$300 billion in overcharges were exposed.

## Awkward questions

These bewildering facts and figures leave us with many troubling questions, or at least they should do. In this book, I am mainly concerned with those that involve business. For instance, I wrestle with the central question: are companies more a part of the problem or the solution? Is the net impact of business positive or negative? There are other questions too; awkward questions that cut even closer to the bone. For better or for worse, I chose corporate sustainability and responsibility as my way to make a positive difference in the world – the mark of my footprints in the sands of time. But given that CSR initiatives have increased dramatically over the same 50 years that many of the global problems described above have been getting worse, does that mean that CSR is ineffective?

It gets worse. Could the whole CSR bonanza be an unwitting accomplice to the spate of corporate crimes of recent decades? Am I quietly and unintentionally aiding and abetting our collective demise? After all, Enron was stuffed to the gills with CSR initiatives – from codes of conduct and ethics officers to corporate volunteering and community development programmes. And yet, when I attended a presentation years after the Enron debacle, an insider accountant, said that all the CSR programmes in the world could do nothing to change the internal culture of greed that had been nurtured and rewarded over decades by the organization.

Even Lehman Brothers, which I discuss in depth in the next chapter, had gotten savvy to the CSR trend. They issued annual Corporate Philanthropy reports and declared to their shareholders in 2007 that: ‘Strong corporate citizenship is a key element of our culture. We actively leverage our intellectual capital, network of global relationships, and financial strength to help



address today's critical social issues.' In 2007 they had an expert in socially responsible business practices join the firm as global head of Sustainability and president of the Council on Climate Change. Bizarrely, in 2008, the firm 'posthumously' received a CSR award for a 10-year mentoring project at a local secondary school in the East End of London.

I am sure all of these CSR programmes had their merits. And yet, if they did nothing to prevent the company from acting like a pirate on the high seas of finance, what good were they? If CSR cannot form the bedrock of ethical corporate behaviour, does it deserve to have 'responsibility' in its title? More worryingly still, if CSR is used to legitimize businesses or practices that are, at heart, irresponsible, surely CSR is partly to blame for the various corporate 'sins' that go undetected and unpunished? I am led to a very uncomfortable conclusion.

At worst, CSR in its most primitive form may be a smokescreen covering up systemically irresponsible behaviour. At best, even the most evolved CSR practices might just be a band-aid applied to a gaping wound that is haemorrhaging the lifeblood of the economy, society and the planet.

## **The ages and stages of CSR**

This book is an attempt at answering some of these awkward questions, taking a critical look at the role of business in the global crises we face, and being honest with myself and all those working in corporate sustainability and responsibility about the limits of our impacts. At the same time, it is an opportunity to glimpse into the future; to start to sketch out what a different kind of CSR – indeed a different kind of business – might look like, one that will have a greater chance of succeeding where its predecessor has failed.

As intimated at the start of the chapter, 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,

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**Table 1** The ages and stages of CSR

<b>Business age</b>	<b>Stage of CSR</b>	<b>Modus operandi</b>	<b>Key enabler</b>	<b>Stakeholder target</b>
Greed	Defensive	Ad hoc interventions	Investments	Shareholders, government & employees
Philanthropy	Charitable	Donations	Projects	Communities
Marketing	Promotional	Public relations	Media	General public
Management	Strategic	Management systems	Codes	Shareholders & NGOs/CSOs
Responsibility	Systemic	Business models	Products	Regulators & customers

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.

The first part of the book explores each of these Ages in turn. However, let me introduce them 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 second part of the book focuses on how we might do that, exploring Systemic CSR – which I also refer to as CSR 2.0 – and delving into each of the five principles that characterize this new approach, namely: Creativity, Scalability, Responsiveness, Glocality and Circularity. The final section of the book looks at how we can make change happen, at a societal, organizational and individual level, ending with how we can all make a difference in our own unique way.

We begin our examination, in the wake of the global financial crisis, by looking at the Age of Greed that precipitated the near-meltdown of the world’s economic system.

