

Visions of the Future: CSR, sustainable business and capitalism in 2020

By Wayne Visser

Over the last 12 weeks, I have shared examples from around the world of an approach to CSR (by which I mean *Corporate Sustainability and Responsibility*) in which companies seek to identify and tackle the root causes of our present unsustainability and irresponsibility, typically through innovating business models, revolutionising their processes, products and services and lobbying for progressive national and international policies.

Based on this vision – and the evolution of sustainable business over the past 20 years – I have made ten forecasts for 2020. They are meant as a basis for discussion and action, rather than an attempt at predictive certainty. Hence, I am inviting you to join a dialogue about the future. Here is my opening gambit:

Forecast 1 – By 2020, we will see most large, international companies having moved through the first four types or stages of CSR (defensive, charitable, promotional and strategic) and practising, to varying degrees, transformative CSR, or CSR 2.0.

Forecast 2 – By 2020, reliance on sustainable business codes, standards and guidelines such as the UN Global Compact, ISO 14001 and SA 8000, will be seen as a necessary but insufficient way to practise CSR. Instead, companies will be judged on how innovative they are in using their products and processes to tackle social and environmental problems.

Forecast 3 – By 2020, self-selecting 'ethical consumers' will become less relevant as a force for change. Companies—strongly encouraged by government policies and incentives—will scale up their choice-editing and cease offering 'less ethical' product ranges, thus allowing guilt-free shopping.

Forecast 4 – By 2020, cross-sector partnerships will be at the heart of all CSR approaches. These will increasingly be defined by business bringing its core competencies and skills (rather than just its financial resources) to the party.

Forecast 5 – By 2020, companies practising sustainable business will be expected to comply with global best-practice principles, such as those in the UN Global Compact or the Ruggie Human Rights Framework, but simultaneously demonstrate sensitivity to local issues and priorities.

Forecast 6 – By 2020, progressive companies will be required to demonstrate full life-cycle management of their products, from cradle to cradle. We will see most large companies committing to the goal of zero-waste, carbon-neutral and water-neutral production, with mandated take-back schemes for most products.

Forecast 7 – By 2020, some form of Generally Accepted Sustainability Practices (GASP) will be agreed, much like the Generally Accepted Accounting Practices (GAAP), including consensus principles, methods, approaches and rules for measuring and disclosing sustainable business. Furthermore, a set of credible CSR rating agencies will have emerged.

Forecast 8 – By 2020, many of today’s sustainable business practices will be mandatory requirements. However, CSR will remain a voluntary practice – an innovation and differentiation frontier – for those companies that are either willing and able, or pushed and prodded through non-governmental means, to go ahead of the legislation to improve quality of life around the world.

Forecast 9 – By 2020, corporate transparency will take the form of publicly available sets of mandatory disclosed social, environmental and governance data—available down to a product life-cycle impact level—as well as Web 2.0 collaborative sustainable business feedback platforms, WikiLeaks-type whistle-blowing sites and product-rating applications.

Forecast 10 – By 2020, CSR will have diversified back into its specialist disciplines and functions, leaving little or no sustainable business departments behind, yet having more specialists in particular areas (climate, biodiversity, human rights, community involvement, etc.), and more employees with knowledge of how to integrate CSR issues into their functional areas (HR, marketing, finance, etc.).

These forecasts all suggest a transformational agenda for sustainable business, or CSR. I call this CSR 2.0, but the labels do not matter; the substance of the change matters. However, underlying these trends is an even more potent shift, which is an evolution from our winner-takes-all shareholder-driven model of capitalism to what we might call Sustainable and Responsible Capitalism, or Purpose-Inspired Capitalism.

For me, this means testing all economic activity against five principles:

- 1) *Productive investment* - Ensuring that money is channelled towards productive investments and not into speculative trading in the casino economy, as the Co-operative Bank has demonstrated successfully.
- 2) *Long termism* - Understanding that real wealth is created by taking a long-term perspective, including the needs of future generations, as Al Gore’s Generation Investment and Warren Buffet’s Berkshire Hathaway practice.
- 3) *Transparency* - Embracing transparency in revenues and social and environmental impacts, in line with the Global Reporting Initiative, International Integrated Reporting Council, Carbon Disclosure Project and Extractive Industries Transparency Initiative (EITI).
- 4) *Full cost accounting* - Internalising social and environmental costs (externalities), through taxes (e.g. on carbon and pollution) and social and environmental profit & loss accounts, such as Puma is pioneering.
- 5) *Social inclusion* - enacting Michael Porter and Mark Kramer’s concept of creating shared value, and Stuart Hart and C.K. Prahalad’s model of serving the bottom of the pyramid (BOP) markets, as demonstrated by the BOP 2.0 Protocol.

We live in exciting times – a true period of bifurcation. We live on the cusp of the post-industrial revolution, and for the first time, we can finally glimpse what a new model of sustainable business and purpose-inspired capitalism could look like.

But as with so many things in life, the quest for a sustainable future is like a wheelbarrow. The only way we will make progress is if we pick it up and push forward. And the only way we will motivate people to join us in this effort is if they believe in what we are building.

That means having a compelling vision of the future, what I call a 5-S vision of “future fitness” in which our products, organisations, communities, cities or countries are Safe, Smart, Shared, Sustainable and Satisfying. What that means and how we get there is another quest, another book and another set of stories.

For now, we have come to end of this “Searching for Sustainable Business” series of articles, which were all extracted, summarised and adapted from my book, [The Quest for Sustainable Business](#). I hope that they have given you a glimpse into some of the insights from my own journey to more than 65 countries over the past 20 years – and that you will be inspired to continue on your own quest.

Article reference

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