

From CSR to SD

No question, real progress has been made on corporate social responsibility (CSR) – and this book, edited by Lars Moratis and Mark van der Veen, neatly and effectively positions itself at the heart of this emerging area of global debate and practice. The book is timely, too, because October 2007 marks the twentieth anniversary of the World Commission on Environment & Development report, 'Our Common Future', which began the process of driving the concept of sustainable development (SD) into the political and business mainstreams. Whether or not we take up the wider SD challenge, we will have an unparalleled opportunity to assess our progress to date. One key question: to what extent does CSR deliver SD? For anyone who attended the 2006 World Economic Forum (WEF) annual summit, the answers were already clear – and far from comforting.

The core message: Get ready for radical disruption – of markets, societies and ecosystem. In one of the best received sessions, former US President Bill Clinton named climate change, global inequalities, and cultural and religious divides as the major challenges facing today's world. In conversation with Professor Klaus Schwab, WEF founder and executive chairman, Clinton (now developing his Clinton Global Initiative – whatever he may say – as a competitor to the World Economic Forum) said that climate change is the only problem "that has the power to end the march of civilization as we know it."

Many other risks – including the US deficit, impending fiscal crises, oil-price hikes, pandemics, terrorism and counterfeiting – were also underscored in the new 'Global Risks 2006 study' by WEF in collaboration with MMC, Merrill Lynch and Swiss Re. But when I chaired a session in the Global Risks stream, focusing on 'Environment and the Bottom Line', the mood was very different from when I first took part in the WEF summit five years ago. At the time, the event had moved lock-stock-and-barrel to New York, in solidarity with a city only just finding its feet after the 9/11 attacks, pretty much everyone was off balance. Since then I have been four times to the summit's traditional locale in Davos, Switzerland, but this year's event was the most interesting by far. The theme was 'The Creativity Imperative', though it might equally well have been 'Disruption'. Strikingly, when WEF ran a 'Big Debate' for 600-700 participants, with electronic voting, two themes topped the priority list: 'Environment' and 'Sustainable Development in China and India'.

Surprisingly, perhaps, this prioritization shocked many participants, among them the highest-ever level of top business participants—735 were at the CEO or chairman level. Despite their being some of the best-briefed people on the planet, most remain surprisingly ignorant of the potential impact on their businesses of issues like poverty, pandemics and climate change.

That said, some business leaders are recognizing that the next decade will see a profound shift from corporate citizenship to a focus on market mechanisms, innovation and scalable, entrepreneurial solutions to these great challenges. This isn't so much about companies being nice, or being good. It's about their capacity to survive and thrive in a very different operating environment.

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