SEE CHANGE

MAKING THE TRANSITION TO A
SUSTAINABLE ENTERPRISE ECONOMY

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Preface

Turning and turning in the widening gyre
The falcon cannot hear the falconer;
Things fall apart; the centre cannot hold;
Mere anarchy is loosed upon the world,
The blood-dimmed tide is loosed, and everywhere
The ceremony of innocence is drowned;
The best lack all conviction, while the worst
Are full of passionate intensity.

William Butler Yeats, 'The Second Coming'

We can find no better words to express our dismay with the state of the world today than these immortal words from William Butler Yeats’ great poem ‘The Second Coming’. Indeed, it sometimes seems that in the face of a catastrophic economic meltdown, with potentially disastrous effects of climate change imminent, ecological systems all around us in danger of collapsing, and enormous inequities in the distribution of wealth and resources in the world that optimism is hard to come by. The world seems to be fast crumbling around us, yet we are reminded by Yeats and by a sense of history that we have faced difficult times before and come through them.

The problem, as we see it, is that this time there may not be another chance unless we can find the ‘passionate intensity’ among the best of us to act proactively and constructively in the face of seemingly insurmountable obstacles. We believe that the systems on which the world is organised need to change and change dramatically to face the eventually unavoidable realities that nature combined with humanity press upon us.
The imperatives that lay claim on us to change are many and seemingly too few can find the courage and conviction to act on what, in their hearts, they know to be the right things to do.

Despite this discouragement, we are hopeful. Thus, we have tried to write a hopeful and optimistic book that highlights not only what needs to change in our world, but also and importantly how that change is already beginning to happen. In what follows we outline a framework that we call SEE Change—the change to a sustainable enterprise economy—and detail the ways in which that change is already emerging.

We cannot say that SEE Change will happen quickly enough or with enough impact to effect the changes that will be needed to bring humanity into symbiosis with our ‘ground’, the natural environment that supports us. But we are optimistic that there are many, many entrepreneurs already acting in constructive ways and in many different types of enterprise, ranging from traditional and very large businesses to small start-up social ventures. It is well within the capacity of inspired humans, who find meaning and energy in their work, to change the world. And we hope that this book inspires that many more such sustainable enterprise entrepreneurs and difference makers to act.

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The context for SEEing change

The world is beset with problems... so many that they sometimes seem insurmountable. And some, such as climate change, global inequities, resource and ecological collapse, can be classed as emergencies requiring urgent and immediate action. We need real and lasting change—what we call in this book SEE Change—a systemic transition to an emerging sustainable enterprise economy¹ which is now being undertaken by many institutions, enterprises and collectivities in the world’s social, political, financial and ecological systems.

The emerging part, of course, is whether the change will be big and soon enough to make a difference, so devastating and deep are some of the problems we face. Indeed, it can be discouraging even to recount the many ways in which the human species is failing our planet. In this book, although we do begin with an overview of some of the major issues (all of which, it could be argued, humanity has created for itself), we ultimately want to try to paint a more optimistic picture. We believe that enterprises of all sorts, business enterprises included, can and need to be sources of innovation, creativity and sensibility.

Redefining wealth as wellbeing

GDP measures everything ‘... except that which makes life worthwhile.’

Robert F. Kennedy, 18 March 1968

Given the precarious state of the natural environment and all the manifest other problems detailed in Chapter 1 it seems obvious that radically new approaches to development and new ideas about wealth—with issues of sustainability clearly in mind—are needed if the half of the world's population that now lives in poverty is to achieve any kind of parity, and if the developed world is to continue to thrive. What is equally obvious, though less often stated because it is politically and socially charged, is that people who live in so-called developed economies are also going to have to learn to dramatically change their ways. That means the US, and much of Europe, parts of Asia and Australia, among others, will, at the very least, have to rethink lifestyles, consumption patterns, and food and manufacturing production patterns.

In the 1960s Barbara Ward began talking about the Earth's limits and by 1966 with the publication of a book by that name had coined the phrase 'spaceship Earth' (Ward 1966). In 1972, prior to the world's first environment conference in Stockholm, she and René Dubos in the book Only One Earth (Ward and Dubos 1972) became the first to refer to 'sustainable
Changing our definition of wealth to one that encompasses wellbeing beyond financial and material goods, as discussed in Chapter 2, means that a serious rethinking of capitalism and its goals is in order. The enterprises that we find in SEE Change implicitly, and sometimes explicitly, understand this shift by incorporating multiple-bottom-line goals—what is sometimes called environmental, social and governance (ESG) goals—into their mission, purpose, values, strategies and operating practices. In this chapter we will explore some elements of the emergence of what we call SEE Change—the change to a sustainable enterprise economy—and begin thinking through some of the implications for capitalism itself.

SEE Change

Despite controversies and climate change sceptics, we believe that the greatest threats to humanity come, first, from our ability (or inability) to bring about sustainable development by tackling climate change and other ecological problems facing the world. These issues can be seen in the relatively weak global agreements dealing with climate change coming out of the Copenhagen meetings on climate change in December 2009.¹ Second,
Big business
but not as usual
The emerging responsibility
and sustainability agendas

Today, corporations make up roughly two-thirds of the world’s largest economic institutions by revenue, bigger than many governments, according to 2007 figures. Despite the growing clout of business—or perhaps because of it—trust in business to do the right thing is at an all time low, particularly in the aftermath of the recession of 2008/2009, which the public perceives to have largely been created and fostered by corporate and financial institution incompetence and greed.

The 2009 Trust Barometer (Edelman 2009) highlights the growing trust gap in which more than half of the respondents to the survey indicated that they trusted business less in 2009 than they had a year earlier, and less than half of those surveyed trusted business in general. In the US, respondents trust in business fell across the board in all industries. Trust in business had previously hit a low of 44% right after the Enron and related scandals of the early 2000s, and risen to a high of 58% by 2008; but in the wake of the 2008 collapse fell to a low of 38%, on par with other nations.

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Business Unusual 2.0

In the last chapter, we explored how big businesses are beginning to deal with issues of sustainability and responsibility, and how they need to continue to change to meet the emerging demands of a sustainable enterprise economy. As we noted, that change will not be easy for them, as large-scale change is difficult at best, and sometimes can be next to impossible. But things do change, and in our world the pace of change seems incredible at times—socially, economically and in other domains. Since 1995 when the World Wide Web blossomed into public awareness, and graphical interfaces became useful tools for the general public, electronic connectivity in all its various forms has reshaped how humans, especially in developed nations, but increasingly in developing nations as well, relate to the world.

The economist Joseph Schumpeter argued that economies were never actually stable because change was always underway. In Schumpeter's view, change through what he called 'creative destruction' would occur by necessity because of the 'fundamental impulse' that 'comes from the new consumers, goods, the new methods of production or transportation, the new markets, the new forms of industrial organisation that capitalist enterprise creates' (Schumpeter 1962: 82) Noting that this process of creative destruction was the 'essential fact about capitalism', Schumpeter pointed out that creative destruction comes, not from outside the system, but actually from within. Indeed, he argued that this form of creativity was a product of the very entrepreneurial process that underpins the whole notion of capitalism (Schumpeter 1962: 82-84).
Social entrepreneurship
Crossing sector boundaries

As we saw in the last chapter, many businesses are being formed or are reconstituting themselves on principles that combine social, environmental and economic goals. Further, there is a growing prevalence of multi-sector collaborative enterprises that cross increasingly blurred sector boundaries. The 'wicked problems' (Churchman 1967) of sustainability, climate change, poverty, economic and social development, food production, human security and others have created a glaring need for more organisations to reach across traditional sector boundaries and purposes. These entities, which are attempting to solve the 'messes' (Ackoff 1975) or wicked problems, have resulted in the emergence of what is being called the 'fourth sector'. In addition, the blurring boundaries have spawned a growing array of enterprises that are classed as social enterprises or socially entrepreneurial organisations. Some of these organisations have been described as 'hybrid' because they have a variety of organisational forms and link organisations from what were regarded as very different, or even opposing, sectors. This chapter will explore these emerging types of SEE Change enterprises and some of their characteristics.