



Business for Social Responsibility

BSR Conference 2008 | Sustainability: Leadership Required Leadership in a Changing World: The Impact of the Global Financial Crisis and the New U.S. President on the Sustainability Agenda

Plenary Session Summary

Wednesday, November 5, 2008 | 8:30–9:30 a.m.

Speakers

- **Aron Cramer**, President and CEO, Business for Social Responsibility
- **Georg Kell**, Executive Director, United Nations Global Compact
- **Mindy S. Lubber**, President, Ceres
- **Kumi Naidoo**, Honorary President, CIVICUS
- **Zachary Karabell**, President and CEO, River Twice Research (moderator)

Highlights

- Companies should not segregate or sideline sustainability issues in times of crisis because the issues are perceived to be long-term, nonfinancial concerns. Instead, greater efforts should be made to account for and address corporate responsibility.
- Building trust and legitimacy is critical given the declining faith in business during this economic crisis. As a result, there is an urgent need to advance corporate social responsibility (CSR) agendas.
- There is a need for greater cooperation among businesses, governments, and civil society in order to successfully address the economic, environmental, and social problems that the world faces.

Memorable Quotes

- “Power is primarily a function of ideas and values.” —Georg Kell, United Nations Global Compact
- “We are not in a financially constrained world, even if we are in a confidence-constrained world.” —Zachary Karabell, River Twice Research
- “What business does best is innovate to meet human needs. [Sustainability needs] can be met by businesses and they will be the heroes of the 21st century.”
—Aron Cramer, Business for Social Responsibility





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Overview

Kell began the session by reflecting on the impact of the economic downturn on the CSR agenda. He noted that more people now recognize and understand the significance of sustainability on corporate performance. Globalization increases the scale of business and creates new business opportunities, but it also reinforces the need to deal with nonfinancial issues. He noted that we are now at a critical juncture; the global financial crisis has had huge ramifications around the globe. However, he is certain that the long-term issues shaping corporate responsibility will continue to drive growth. Kell discussed the changing balance between public and private responsibilities during an economic crisis, and he highlighted the significant takeover of private sector interests by governments. However, he noted that private initiatives and innovation are important because regulation is only a minimum standard. He also discussed the need to invest further in rule-based, fair, and nondiscriminatory economic approaches. According to Kell, the current economic crisis is a historic opportunity to make sustainability a truly global driver that stimulates growth and infrastructure development.

Lubber noted that, following an election people, have extraordinary confidence in the government, but the government cannot fix everything. The goal of the BSR Conference 2008 should be to show the private sector how to lead on fundamental issues. She pointed out that we cannot build a sustainable economy without addressing and integrating sustainability issues such as climate and water. Treating these issues as off-balance-sheet risks cannot continue because they are as important as current financial issues. She stated that sustainability metrics are about the bottom line, and they should be integrated into financial statements. According to Lubber, there should be a move toward universal, mandatory sustainability reporting.

Naidoo called for leadership on sustainability issues—including poverty and preventable death—that has been lacking at a global level. The business community needs to advocate for these problems, since they are just as important for business as they are for civil society organizations. Government, business, and civil society sectors will never rise to the challenges of sustainability acting independently. The business community must be on the side of civil society to ensure that the wonderful campaign rhetoric is turned into urgent action.

Cramer noted that the nature of leadership has changed, and it is increasingly about tapping into the power of networks. There is a need to be a leader when you're not in charge and to understand the increasingly interconnected world.

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