

For some time now there is a debate engaging top levels of management in companies and in our societies: Is it necessary for us to change the very nature of our business practices? Do we need a new model for doing business?

Some argue that the prevailing focus on profit and shareholder value is no longer sustainable, because it neglects the needs of society at large and our natural environment. In its pursuit of happiness by material possessions humankind has created a capacity of production and consumption that has started to damage the very foundations of life.

An increasing number of people say we cannot afford to ignore the writing on the wall: deterioration of the atmosphere through global warming, a diminished ozone layer, increased levels of carbon dioxide and other polluting substances. These processes and substances trigger a chain reaction: melting of the ice caps in arctic zones, increasing temperature of the oceans and rising ocean levels leading to flooding of coastal terrains.

The oceans are nearly depleted of fish, rivers have 'died', forests have been diminished – all indicators that our current economic system by its sheer size and force is exhausting nature.

How did all of this happen in the first place?

At the heart of the matter probably lies the overemphasis on material wealth and economic parameters at the expense of our natural and social environment.

With respect to the development of our social environment we have achieved contradictory advances. Humankind has evolved from tribal societies through feudalist order to democratic order, at last. Yet democracy has not been a stable and increasingly widespread social order. We have experienced serious backlashes.

Dictatorships in Germany, Russia, several Latin American countries, in Africa, in the Arab World and in Asia have seriously damaged millions of humans and have led us to question the maturity of civilized cultures. It seems possible for societies to retreat to undemocratic regimes and even to barbarism. We have to accept that democracy is a choice that requires effort and commitment. We cannot rely on this quality of a society simply because it was once there.

As of today there are several societies where democratic government is the rule of life: USA, Europe, the countries of the former British Commonwealth. A great achievement with impressive benefits for the people. Yet these societies are far from perfect. Unemployment, layers of poverty, limited access to education and health care, human rights and the very quality of the democratic process are serious problems in industrialised societies.

Viewed from a larger perspective, the industrialized world still either continues to create more poverty or at best has not yet been able to decisively diminish it at home or abroad.

Non-democratic and even rogue governments continue to rule in many emerging or underdeveloped countries, sometimes with decisive support from industrialized countries. Agricultural subsidies, unfair trading structures, support for rogue regimes, lack of concern for human rights, environmental overexploitation are the malpractices that still dominate the relations between the industrialized world and the so called second and third worlds.

How can we at long last begin to make real progress – a progress that is inclusive and eliminates the above named dangers and downsides of human societies?

One needs to look at how we operate as human beings and how we create and run societies. The most powerful institution – and probably the most effective one - is business, the very business model as we know it: market based capitalism. Capitalism has prevailed as the dominant way of doing business and profit driven enterprises in a market economy are the most productive organizations mankind has created. Identification of needs, allocation of resources, organizing activities to satisfy needs, adapting to changing conditions – are all done best by human efforts in the social institution we call business.

This model of business should be appreciated but as well further developed to avoid serious threats to civilization. We need a new model for doing business.

The new model would look like this:

- Respect for the natural environment – minimizing, avoiding, rebuilding or off setting any environmental deterioration inflicted by businesses. Zero footprint in ecological terms is the goal.
- Respect for Human Rights as agreed in the UN Charter – no forced labour, no discrimination of race, gender, religion, political opinion and the right of free association in every business wherever it operates, i.e. the rights of workers to organize in unions.
- Active contribution to society at large – supporting social causes and organizations, respecting and fostering democratic institutions on local, regional, national and international level. Not only by paying taxes and donating money but through active involvement of business resources and competences to assist in creation of democratic and effective institutions.
- No longer would the concern for shareholder value be the dominant parameter. Businesses would develop a balanced approach towards the integration of ecological, societal and economic parameters in their decision making process and their goals. The triple bottom line approach would be accepted as the norm for making decisions.

As shareholders and owners are the most powerful group in industrialized countries this group would need to approve of these changes and at least a minority would even need to become the driving force.

Many companies have understood and accepted the new paradigm – sometimes after painful exposure to public campaigns against their business. E.g. Shell and Brent Spar – the oil drilling platform Shell wanted to dump into the deep sea and was forced by a Greenpeace campaign leading to consumer boycotts to have it dismantled safely in Norway. Or Nike who has seen its image come under attack after child labour and poor working conditions at some of their subcontractors in Asia were exposed to their customers in the industrialized world.

A minority of companies can make a difference due to competitive pressure and a concern for reputation. If Nike is threatened then all companies with a value brand could be threatened. This possible threat together with a conscious moral choice for doing good by acting responsibly, in a socially constructive way is presently leading to improved and improving business practices. Sceptics may say ‘perhaps more superficially and sometimes only as a marketing gimmick’ but there is a growing effort under way to alter business practices profoundly.

However this readiness on the part of some businesses to amend their economic bottom line towards a triple bottom line needs to be addressed and supported by the general public – the

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consumers of these products. It only makes sense for Toyota to produce cars with hybrid engines when there are customers interested in buying these cars.

All of our societies need to support this new paradigm of sustainable capitalism. A new force has emerged: non-governmental organisations, NGOs, have been contributing decisively to this task. They are organisations of responsible people working towards goals and values for a sustainable environment and a democratic society based on human rights – making a difference by addressing companies' responsibilities and by educating and mobilizing larger numbers of people in a country or region.

NGO are organisations of civil society, concerned about well-being and sustainable practices. Companies are organisations to produce wealth. Both entities need to work together, in mutual appreciation to achieve long lasting wealth. For the present generation and for future generations.