12 Learning from the Roundtables on the Sustainable Enterprise Economy: The United Nations Global Compact and the next ten years

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Introduction

This chapter is about research that we have been conducting about the *next* ten years, starting from three premises. First, given the last ten years and the development of the United Nations Global Compact, what has been learned? Second, what would the world look like if the ten Principles of the Compact were implemented (and the Millennium Development Goals (MDGs) delivered)? And, third, how can we engage with a wide range of thinkers and actors around the world to see if there is commonality across cultures, industrial sectors, professions and intellectual disciplines? Our inquiry started in the House of Lords in London in January 2007, where we held six meetings of Roundtables on Sustainable Enterprise (RSE), and up to January 2009 also engaged with different participants through Roundtables in Cape Town, Toronto, New York, Sydney and Beijing as well as two international conferences at the Eden Project in Cornwall, UK, and at the Headquarters of Wessex Water in Bath, UK.

If we start with the idea that the Global Compact was designed to operate as a learning system, then we can see that it is fascinating to examine it as a model of how the world might be managed this century. The state we find ourselves in as a *global* community, rather than an *international* community, is that states, companies and non-government and non-business organizations *all* have legitimacy, all have a voice, all command attention, all demand to be recognized

and all claim rights and responsibilities. Since the collapse of the financial system in 2008 and the terrorist attacks in September 2001 in New York the state has been reinvented and reinvigorated. And since November 2007 we know that climate change adaptation and mitigation can happen only if the state acts, regulates and delivers the enabling mechanisms necessary to prevent absolute human *catastrophe*.

Let us also remember that the Compact is just one of a number of contributions to the business in society discourse and action. As such one of the architects of the Compact, John Ruggie put it simply in 2000: 'The issue is how they [companies] make their money.' It is worth quoting Ruggie's argument in full:

As markets are going global, so, too, must corporate social responsibility and citizenship. The Global Compact is one means to that end . . . But is this worthwhile? On that question, where you stand fundamentally depends on where you sit. If you want globalization to work for everyone, as we do, then it is worthwhile. But if you reject globalization, global corporations or even the system of capitalism itself, then you won't like what we're doing at all, any more than your predecessors liked Keynesianism or social democracy because such pragmatic innovations inevitably reduce the social rationale and political support for more polarized rejectionist postures. (Ruggie 2000)

Ruggie made his academic name writing about 'embedded liberalism'[2] which is best linked to the Global Compact in this statement:

The industrialized countries in the first half of the twentieth century slowly learned to embed market values in shared values, principles and institutional practices at the national level. The Global Compact seeks to weave universal values and principles into global corporate behaviour. (Ruggie 2000)

The Global Compact has operated as a significant convening, enabling and learning forum around the world and it is clear that many of the participants would not be discussing human rights, labour standards, environmental protection or anti-corruption without the ability of the United Nations, as the only legitimate international political organization to engage states, companies and civil society.

[2] 'The only way ahead was to construct the right blend of state, market, and democratic institutions to guarantee peace, inclusion, well-being, and stability' (Harvey 2005: 10).

In performing this role it continues to complement initiatives at other levels while arguing that it does not undermine those other initiatives, particularly those who would humanize globalization faster than it is at present.

On its tenth anniversary the Compact has remained true to its founding principles, continuing to argue that its legitimacy lies in contributing to a more sustainable and inclusive global economy because business is the primary agent driving globalization. But, in January 2009 UN Secretary-General Ban Ki-moon, following on his predecessor's support for the Compact, told a Davos World Economic Forum 'that the Global Compact provides an excellent platform' for tackling climate change. This reflected the growing realization that 'climate change threatens all our goals for development and social progress' and 'is the one true existential threat to the planet'. So the emphasis of the Compact, and indeed of the whole United Nations, is now on tackling a threat to human life on Earth. Echoing thinking around the world the Secretary-General called for an alignment of capitalism and caring, of humanizing globalization, of creating a capitalism that delivered both public goods and private wealth. The global economic crisis had, he said, provided 'a gilt-edged opportunity' – 'we are at a crossroads' (for all quotes, see United Nations 2009e).

If this is true, that we are at a crossroads, then what have we learned from the last ten years of the Compact's life, and how has the Compact engaged with multiple stakeholders around the world through various activities and initiatives? The most important thing we have learned is that it has been possible to establish an initiative that is based on a set of values, that is founded on a set of internationally agreed principles, that brings together state and non-state participants, that has increased significant debate about how we manage in this age of global trade, that has brought states, companies and people into the debate who might otherwise have not been included (particularly in emerging economies), and that has helped to put human rights, labour standards, environmental protection and anti-corruption on the boardroom agenda in a few companies around the world.

The small Compact team, based in the Secretary-General's Office, has been busy, led energetically by the Chief Executive, Georg Kell. There are some who have criticized the Compact for developing breadth at the expense of depth. These critics argue that there are

too many initiatives, too little support, too little thinking through the implications of each of the principles, and too little understanding of how the Compact may have actually interrupted, rather than aided and abetted, progress towards a more inclusive world. The answer to these criticisms is that the Compact was never meant to replace other initiatives, even if at times some of its rhetoric may have seemed triumphalist. Its aim was always as a meeting place for business and the United Nations, and as a learning forum for all stakeholders on taming the beast that is unfettered capitalism.

When former UN Secretary-General Kofi Annan spoke in 1999 about business needing a new social compact with society, he obviously articulated something important to many observers of the world of business in society. Annan's words focused on creating 'a global compact of shared values and principles, which will give a human face to the global market' (United Nations 1999). The thousands of active participants have made it by far the largest corporate citizenship initiative in the world. It now classifies itself as the world's only truly global political forum, as an authoritative convener and facilitator, with the capacity to bring together actors from business, with governments, the United Nations itself, civil society actors, trade/labour unions and academia.

The Global Compact has been much lauded and promoted as an aspirational way of engaging businesses with other stakeholders in dialogue and learning forums, and upholding the ten Principles that are at the core of its work. It has provided forums for learning about how companies – and others – are implementing the ten Principles on human rights, labour rights, environmental sustainability and anti-corruption, and has developed and disseminated numerous tools, analytical frameworks and approaches that signatories can use to ensure that they are living up to their commitments. It has developed formal links with other voluntary multi-stakeholder initiatives on corporate responsibility, such as the Global Reporting Initiative (GRI), and paralleled other initiatives such as the Social Accountability International's (SAI) SA8000 labour standards, and the AccountAbility AA1000 standards, the Extractive Industry Transparency Initiative (EITI), and others.

In building its global and Local Networks, the Compact has fostered shared learning and dialogue among signatories, while finding leading companies to serve as role models for other businesses on the issues

of concern. It has explored and raised important issues that were otherwise 'off the table' for many corporations, bringing these issues centre stage onto the tables of directors, managers and boardrooms for discussion – including human rights, participation of business in zones of violence and conflict, water scarcity, climate change, the stability and security of financial markets and their ability to incorporate environmental, social and governance (ESG) issues among numerous others. Through its various Networks and learning forums, it has fostered collaborative, multi-sector approaches to dealing with the numerous issues related to development that are facing humanity.

In 2007, the Global Compact released the Principles for Responsible Management Education (PRME) at its Leaders Summit, as a means of bringing the attention of business school leaders to the ESG issues and principles at the heart of the Compact. Earlier, the Compact had served as a model for what became the Principles for Responsible Investment (PRI), promulgated in 2006, which provide approaches for investment institutions to incorporate ESG issues into their investment decisions.

This chapter is not a descriptive piece. Rather we seek to stand back and provide an overview and some analysis as we reflect from the high ground of hindsight. From where we stand there are a large number of interesting issues that come to mind when looking back at the first ten years of the Compact that might help us guide this initiative for the next ten years. One of the questions that was asked in our earlier book, *Learning to Talk: Corporate Citizenship and the Development of the UN Global Compact* (McIntosh, Waddock and Kell 2004), was: 'What would the world look like if the Compact's principles were adopted and implemented?' In other words, we did not see the principles as utopian but as real, as a possible roadmap for the future evolution of global markets and social progress.

Ten years later there is much to be discussed in terms of the measurable impact that the Compact has had, but one clear message from our global research through the RSE is that the Compact is viewed very differently in different countries. For instance, US companies were slow to sign up partly because they saw the principles as binding them to certain obligations and legal necessities, and thereby making them accountable, and exposing them to possible litigation. In South Africa many of the Compact's Principles are enshrined not just in rhetoric but in the legal framework of the groundbreaking post-apartheid constitution. And in China the Compact is aspirational, a roadmap

for the future, a guide as to how newly privatizing companies might see themselves *vis-à-vis* non-Chinese international corporations. The Global Compact is certainly not seen as a set of principles by which to be judged. In the USA, the Compact has been seen as giving corporations more responsibilities but in China it has freed them from some of the obligations that burden them as state-owned enterprises (SOEs) – and these are very real contrasts for the Compact moving forward. Elsewhere in the world the Compact is sometimes not seen as connected to local legal or political frameworks but as a public relations exercise or a leg-up into the world of global corporate operations. We are reminded, however, that according to the United Nations Conference on Trade and Development (UNCTAD) (UNCTAD 2009), there are 70,000 TNCs, of which only a small portion at this writing have joined the Compact.

Accountability – or rather lack of accountability – for signatories actually upholding the Principles of the Global Compact in practice is a serious issue for many Compact critics (Williams 2004). But, as Williams points out, these critics assume that the Compact is a code of conduct, which it is not, rather than the set of aspirational principles that it actually is. Other groups, particularly non-governmental organizations (NGOs), believe that without the enforcement powers that government can supply through mandate and regulation, the Compact can never be fully effective (Williams 2004). On the opposite side of the spectrum, for quite some time after its launch in 2001, US companies were hesitant to sign onto the Compact. Despite assurances to the contrary, it was not clear that litigation could be avoided if the company failed to live up the Compact's Principles, while European companies in a less litigious context were more apt to become signatories (Williams 2004).

Outside the USA people are much more naturally sympathetic to the United Nation's historic and moral mission, and, while acknowledging the organization's shortcomings there is not the aggressive antipathy shown towards its efforts that is displayed in what should be its natural home – the USA. This may be, as Martin Jacques has pointed out, because the United Nations resembles democracy – it speaks its mind – and in doing so challenges the status quo (Jacques 2009). In this respect the Compact speaks to the United Nations' moral foundations and considers international obligations that apply to all economic institutions – governments and businesses alike.

Striking a chord: what does it mean to be human in a globalized world?

Despite all of these and other criticisms, it is clear that the Global Compact struck a chord with many people. What was the chord that struck so deeply and generated so much forward momentum, despite the many critiques that have been levelled against it? We want to argue that it was the very fact that the ten Principles *are* aspirational (and perhaps voluntary) that captured – and still captures – the hearts and minds of so many stakeholders. It is these same types of aspiration – to have a better, more sustainable and more equitable world – that were consistently expressed in the series of RSE associated with the Global Compact held around the world. People are searching for meaning in the world – and particularly in the world of business – and the Global Compact has offered an aspirational hope that business, by living up to the Principles, can supply at least part of that meaning.

The RSE focused on the broader awareness and action items associated with humanizing globalization. Framed around defining the concept of sustainable enterprise, the RSE focused on issues associated with sustainability and climate change, the need to reconstruct multilateral institutions, and learning to live and conduct human affairs, including business, within the Earth's carrying capacity. Structured loosely around the concepts of appreciative inquiry (Cooperrider *et al.* 2001, Cooperrider and Sekerka 2003, Cooperrider and Srivastva 2001), the RSE were an exercise in conversational learning (Kolb 1984). Participants from all sectors – business, civil society, government and multilateral institutions – were invited to participate in a discovery process that focused on defining sustainable enterprise in the global context in which the UN Global Compact arose and is functioning today. RSE were held on all of the world's populated continents – in London, Cape Town, Toronto, New York, Sydney and Beijing with exploratory workshops and seminars held in Barcelona; Hamilton, New Zealand; Coventry, UK; Brussels, Belgium; Boston, USA; and Paris, France.

Polanyi (2001) discussed the great transformation that occurred when new institutional processes were put in place in the industrial revolution and after the two world wars. We believe that we may well be in the midst of the *next great transformation*, a transformation we are calling 'SEE Change' the change to a sustainable enterprise

economy. In what follows we present a synthesis of some of the ideas brought out in the RSE, focused broadly around the concepts of the UN Global Compact and its potential to help heal the world. Though these ideas by no means represent a unified consensus, they do suggest important themes that ran through virtually all of the conversations, which were held under The Chatham House Rules, meaning that while ideas and quotations can be used, no attributions will be given.

Two themes, which will be developed in greater detail below, stand out from the RSE. First, there is a need, desire, even thirst, to rethink what it means to be human today, especially in light of climate change, globalization and the growing gap between rich and poor. Second, there are no easy or pat answers to the question of how to redefine being human today, because the situation facing humanity – apparent human-induced climate change, massive processes of industrialization, an established elite that has created an economic structure with obvious flaws but no simple solutions because of entrenched interests – is one that has never been faced by humankind before. Not business, nor government, nor civil society has the answer, so if answers are to be found it will be up to institutions and individuals in all of these sectors to come together and collectively find solutions.

Some of these answers can be found in the integrated systems thinking of the concept of 'human security', which is distinct from national or global security by its focus on individuals and communities. First described by the United Nations Development Programme (UNDP) in 1994 it has been described and refined by writers such as Nobel Economist Amartya Sen and is gaining greater prominence as governments try to make sense of the links between the five challenges to our survival: local and global governance, climate change, water, energy and population (McIntosh 2010, McIntosh and Hunter 2010).[3] The Applied Research Centre in Human Security at Coventry University, UK, describes human security in the following terms:

Human security is a new security framework that centres directly on people and recognises that lasting peace and social justice cannot be achieved unless people are protected from threats to basic needs and rights. Its essence is about protecting people as well as the state. Among the main threats to

people's security are climate change, an inequitable global economic system, bad governance, corruption, abuse of human rights and violence. (Applied Research Centre in Human Security 2009)

What does it mean to be human today?

One RSE participant summed up a sentiment that was richly present in the Roundtable conversations: 'My three and a half year old granddaughter said, "I'm learning how to be a big girl" the other day. *We* need to learn how to live on this planet, as grown-ups.' We live, today, in a world of both large and small organizations and institutions that collectively create the infrastructure of societies. But the systemic issues facing the planet – from the economic meltdown of 2008 to peak oil and lack of suitable energy alternatives to support the nearly 7 billion people that now live on the planet to growing concern that issues of climate change will not be sufficiently addressed in a timely way – make 'growing up' and facing the reality of the world ever more imperative.

A 24/7 connected world

The problems of the world combine with technological shifts that have created new 'effective communities', things like Twitter, Facebook, MySpace, eBay, global action networks (see also www.scalingimpact. org), instant global communications and ubiquitous phone and electronic technologies, which create a new form of connectivity among people. Voices from the RSE clearly called for a new sense of community and places and organizations that are founded on integrity and authenticity in the context of a world where spin, power and competitiveness have heretofore dominated. In a world where many organizations are actually quite dehumanizing places to work, driven by a frenetic energy based largely on cut-throat approaches to competition in a win-at-all-costs mentality, many people appear to be seeking more reflective spaces where human connections, even if virtual, can happen.

Connecting across physical and temporal space in a 24/7/365 economy using the global neural network that the worldwide web constitutes necessitates that individuals (and groups) be able to establish their own boundaries or face burnout. The 'anything goes' mentality that effectively resulted in the 2008 global economic collapse of

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[3] See also www3.griffith.edu.au/03/ertiki/tiki-read_article.php?articleId=20342 for more information on the perfect storm of the global economic crisis and the climate change prognosis.

many major financial institutions and which necessitated their being propped up or nationalized by governments, clearly suggests that for many those boundaries are not already in place. One reason, we believe, for the resonance of the Global Compact's ten Principles is that, despite their aspirational quality, they help to provide a moral grounding for businesses and individuals working in them. Effectively, the principles, because they are derived from globally agreed documents, if even more broadly disseminated might provide a moral consensus around business practices that many people, seeking meaning in their work, would find attractive.

The need for hope

When the conversation turned to what it is like to live in the world we have constructed today, participants in the RSE agreed that there is a need for optimism and positive thinking. As one individual stated, 'One of my great hopes for the future is my grandchildren. I love that quote "Hope is a verb with its sleeves rolled up" . . . The Russians define pessimists as optimists with information. In interviews for the radio everyone had something bad to say, but at the end I asked each of them about hope, and they all have it.'

Another person agreed that 'There is a need for us also to embrace the positive, to be optimists with hope for change. So many of us are thinking through "where does the problem lie? Where are the solutions?" We need to embrace the conversation's hope and optimism, and think how to move that forward to create a critical mass, a different culture of living.' Today's fast-pace, a constant connectivity that makes 'getting away from it all' virtually impossible for many people in the developed world, and unceasing change and ambiguity create a context of uncertainty. People in these conversations are clearly struggling to cope with this world – while simultaneously recognizing that more than half of humanity faces significantly different and perhaps even more dire problems associated with poverty, resource scarcity and *not* being technologically connected in a developed culture.

Elders, technology and knowledge

In much of the Western world, at least, there is a significant orientation toward valuing youth over age and experience. Young people are more apt to adopt and use the technological resources that our societies have put at their disposal, while the knowledge that comes with experience, and the wisdom gained by communities' elders seem to be less valued. There is also a feeling that the relentless speed of now means that we do not have a sense of the past. One Roundtable participant raised doubts about whether real wisdom is being gained through all of the technological advances societies have promoted: 'We are technological adolescents. In societies where traditional knowledge is important, when there is a sudden infusion of technology that 'fixes things' there are changes in the structure. The elders normally are fonts of knowledge, but if a new culture brings skidoos and guns, all of [that] knowledge . . . is undermined. "We've improved things." But have we?'

Another participant worried, 'In sustainability, it is about us using tools more effectively/intelligently? Or is it that technology has outgrown us and we don't know what we're doing? If so, sustainability is a very different conversation.' Along this line, the thrust of many of the conversations was about a need for humanizing markets, and ensuring that the planet is actually livable for future generations, a goal that climate change, the poverty gap and the serious current economic flaws makes questionable. To accomplish these shifts, some RSE participants argued, means breaking down sector and other barriers. As one stated, '"I don't do research. There isn't time for it." We don't need to think of these as exclusive, but reinforcing. Dialogue, education, action, research. They all need to be on the same page.'

System and values change

These ideas speak to the need, to be discussed further below, for more collaborative approaches that are based in scale and scope on human considerations and needs. But as another participant pointed out, shifting values – indeed, a complete shift of mindset, or what Senge (1990, 2006) termed *metanoia*, is needed. One Roundtable participant put the dilemma quite boldly, stating, 'I think everyone in this room wants to effect positive change. Why we're all drawn here. I think everyone knows the direction of change but is less sure about how to bring about this change . . . Nothing changes till the values change, and they are implicit, so we can draw on deep-seated values to bring about change. So the discussion is one about which strategies bring about change.'

Conversations in the RSE tended to focus not as explicitly on the Global Compact as on the premise underlying Kofi Annan's initial call for a new social compact between business and society – one that could put a more 'human face' on the global market. It is exactly this need for humanization of markets, businesses, and societies that what we are now calling *SEE Change* deals with: change toward a SEE. In what follows, we will relate some of the ideas underlying SEE change as articulated by participants in the RSE.

What is SEE change?

Generally speaking, Roundtable participants saw an SEE as founded on the types of principles underpinning the Global Compact but with an emphasis on the values in the preamble:

Never before have the objectives of the international community and the business world been so aligned. Common goals, such as building markets, combating corruption, safeguarding the environment and ensuring social inclusion, have resulted in unprecedented partnerships and openness among business, government, civil society, labour and the United Nations. Many businesses recognize the need to collaborate with international actors in the current global context where social, political and economic challenges (and opportunities) – whether occurring at home or in other regions – affect companies as never before. (Global Compact 2009c)[4]

A clearly articulated set of values that frames sustainable enterprise seems to pick up on the very themes that Paul Hawken (2008) discovered in his work on what he calls 'blessed unrest' in his book focusing on ecological sustainability and social justice.

In addition, Roundtable participants tended to view sustainable enterprise as changing the responsibilities of business and the ways in which business can work with other actors, including governments, intergovernmental organizations and NGOs, to address some of the contemporary challenges noted earlier. There was recognition that old ways of organizing into silos, functions, disciplines, divisions, competitors and sectors, for example, are no longer workable in a world where boundaries are regularly broken and in a web 2.0 world where so much is visible.

4 This was the preamble to the Global Compact in 2000 which has been super-
  seded by new documents on the Compact.

Boundaries that used to be considered fairly secure are regularly breached today through technology, partnerships, alliances, collaborations, social entrepreneurship, privatization, nationalization and coopetition, among others. The Internet – whether through web 2.0 technologies like Twitter, Facebook, MySpace, and others, through the instantaneous nature of communications, or the ability of people to quickly access all sorts of information through media like Google and Amazon.com – has shifted things for enterprises in general so that, whether they like it or not, there is much more transparency about their activities today than ever before.

Taking all of this into consideration, participants saw one significant aspect of the SEE partly as a forum in which different cultures meet, across national and organizational boundaries, with friction over roles, motivations and identities but also great potential synergies. As evidenced by some of the RSE, which were held in developing nations, the participants, who come from all sectors, see sustainable enterprise as a vehicle for hope and aspiration, even in the most oppressed social contexts. Far from believing that the problems humanity faces are insoluble, many people believe that they know what they and their societies need, and further are articulate about what needs to change, and how. Some of the types of changes they proposed will be highlighted below.

System change and radical rethinking of companies

Design – redesign – of the systems and institutions currently in place is a core element of shifting toward an SEE. Although we all know how hard it is to change existing institutions, there are many new types of enterprises being created today with different design principles than those of the industrial era, which permeate many of today's existing organizations. As one participant stated, 'Design is one of the holy grails of sustainability thinking – product design, models of organizational structure, sustainable enterprise – the seeking of wealth creation and missing drivers, design has the power to dictate this kind of change.'

We can already see these principles of design being put into place in initiatives like that of Corporation 2020 (see www.corporation2020.org), which is all about redesigning the purpose of corporations to better suit the emerging needs of the twenty-first century. Other

redesigns are apparent in the new types of enterprises that many participants in the RSE are involved with, enterprises that are public–private in nature, social enterprises (both independent and within larger companies), for-benefit corporations, enterprises coming from multilateral institutions that bridge into business territory, and many others. Many of these enterprises are already working, as one participant put it, to design infrastructure and products so we can be more light-footed.

Two examples of new enterprises come to mind from the wealth of material discussed at the RSE. The first comes from a communications company in London. 'We sell "good." We only work on sustainable development communications, and our clients include government, oil companies and NGOs.' The second comes from Canada and is an anecdote from a lone pioneer: 'I found that I had a talent for making jewelry and people were buying my stuff so I set up a business. I can guarantee certain things, for instance the conditions in which my people work, but I cannot guarantee the desire for speed from my customers. They buy our stuff because it is sustainable and ethical but then they demand it in five days, so I have to fly it to the US! So, in a global market I run into a brick wall.'

The shift to an SEE is partially based on technologies that already exist – and knowledge that already exists – but as some RSE participants pointed out, the economy is in some senses becoming de-materialized and creating wholly new contexts for humanity. The 'clouds' of information now available in the hyperspace that the global web of computers represents, through Google, eBay, Facebook and MySpace, are prime examples, represent something wholly new for humanity. Combined with the fact that information is not a scarce resource like traditional resources, because when shared, information expands and morphs, rather than being used up (Brown and Duguid 2000), the information and post-information economy is an essential element of an SEE.

In this context, there is a clear process of what Joseph Schumpeter (1975) called 'creative destruction' already underway. Many of the progressive companies that have signed onto the Global Compact have internal initiatives that involve them in social entrepreneurial ventures, some aimed at what Prahalad has called the 'bottom of the pyramid', and others dealing with issues in developed nations (Prahalad 2005, Prahalad and Hammond 2002). In many of these initiatives, companies verge onto territory that was once formerly reserved for government (e.g. Scherer and Palazzo 2008, Scherer, Palazzo and Baumann 2006, Matten and Crane 2005) – for instance, with involvement in educational activities or, in Africa, in dealing with issues associated with the HIV/AIDS crisis. Despite these initiatives, the difficulties of effecting significant organizational change – or change in the purpose of existing corporations – suggests that there are questions about the extent to which multinational corporations (MNCs) will completely transform themselves into sustainable enterprises or whether they will go the way of the dinosaurs.

Mission possible: entrepreneurs and boundary spanners

The SEE is inclusive and recognizes that solutions to local and global problems may come from innovation, creativity and entrepreneurship in all sorts of organizations – private, public, social, or individual. There is a significant focus on social entrepreneurship as a way in which participants believed that sustainable enterprise might evolve, but we found examples of positive social change agents in all organizations, at all levels. As one participant noted: 'Entrepreneurs are not necessarily the sustainable development "educated" – they use common sense, intuition, belief and follow their own paths.' Many times, they work inside large existing organizations; however, often they work outside in their communities. They tend to work below the radar for a period of time, while developing their ideas, and are clearly able to work across boundaries and counter-culturally, coping with not having all the answers, and working in a context of uncertainty, outside of normal comfort zones.

Similarly, pioneers who have been able to work across traditional sector boundaries, or collaboratively across entities that typically compete with each other, have a tendency to believe in the impossible. They are somehow able to create new opportunities for learning and change in their organizations that others have not been able to conceive. In one Roundtable we heard from a senior academic in a civil engineering department at a very high-minded university explaining how she had introduced sustainability to the teaching faculty. This had meant crossing intellectual boundaries, dealing with the sometimes intangibility and changing perspectives of new eco-systems science while also dealing with the hard science of highway construction and dam building.

Because the problems facing the world today are what Ackoff (1975) once termed 'messes' (i.e. intractable, unbounded, difficult problems), they have not been readily resolvable by entities operating with the mindset of a single sector. Indeed, participants tended to agree that, in many cases, dealing with the intractable problems of the world, like human rights, climate change and other issues of sustainability, requires multi-sector approaches. Even in parts of the world where governments have traditionally been expected to solve problems and have all the answers, this view was common in the RSE.

A role for governments

Despite the fact that many intractable issues facing the world require multi-sector solutions, there is, according to participants, a clear role for government and regulation. In a world where progressive corporations attempting to align their practices with stated values, like those expressed in the Global Compact, are already going beyond existing regulation and norms of compliance, it is companies that are sometimes setting the standards.

To make the playing field level in these circumstances requires that all players eventually live up to the standards, and accomplishing that may well require new regulation demanding more sustainable and rights-orientated practices. Governments, after all, were the original signatories to the treaties from which the Global Compact's Principles derive, and they probably eventually will need to take a stronger role in enforcing these types of standards, particularly to deal with the numerous laggards who are not already up to speed with the types of changes needed.

Leadership of a different sort

One of the topics most discussed in the Roundtables was the type of leadership needed to effect changes towards an SEE – to ensure that principles like those of the Global Compact are lived in practice. But it is a different sort of leadership than the world is used to. Participants tended to agree that leaders needed to be systems thinkers, who are also concerned about the social impacts of their (business and other) activities, who are not only values-driven but also able to articulate those values clearly.

One participant described an exercise undertaken with business leaders, in which they were asked to deal with the statement that '"Leaders know what is important to them," by spending five minutes writing down what is important to them. What comes back are not kick-ass strategies to drive their competitors out of the marketplace, but family, community, mentoring. Not what you'd expect from hard-nosed businessmen and women.' Another participant stated that 'We need to design a space within business where it is not illegal to bring in values.'

For many, it seemed that awakening to the need for sustainable enterprise happened as a result of a wide range of personal experiences. One individual noted: 'If you really ask a business leader what was the cause of the change, it was a personal experience. For example, Lee Scott's [retired CEO of the retail giant Wal-Mart, who turned the company toward sustainability] experience with Katrina . . . There is deference to the emotional bond. We pursue the rational learning gap, but the real learning is the emotional learning path. What really drives you when you're alone?'

The type of leader described by Roundtable participants is potentially able to deal with issues related to sustainability, social justice and equity, along with climate change and values-driven management. This leader has a number of qualities: an ability to work with ambiguity, develop vision, link business *to* society, a capacity to harness internal resources – employees' knowledge and skills – for the betterment of society as well as better business. Most important is a capacity for systems thinking and the ability to deal effectively with complexity, and a strong foundation of vision and core values that are held with passion.

The capacity for systems thinking – understanding the broad implications of the enterprise and its activity for stakeholders, and for societies, and the need for an integrated approach to sustainability, vision and values – is a difficult capacity to develop. One participant pointed out that only a small percentage of the population currently has this capacity (and research suggests that this is, in fact, true (Torbert 2004)), yet arguably it can be developed in future leaders by exposing them to problem-finding in new ways, to systems problems and their implications, and by actually asking them to deal with complex, real-world, ambiguous and messy problems in their education and beyond, rather than more neatly structured problems.

Change and its obstacles

One person suggested in a Roundtable conversation that 'Change happens in ordinary institutions when individuals sit up and realize that something has to happen and that they can drive change.' More people need to have these epiphanies. Another suggested that 'severe learning disabilities' are preventing us from seeing the problems and potential solutions, all of which is complicated by the fast pace of many of today's largest institutions and most developed societies, that makes lack of time for reflection particularly problematic.

Other obstacles to change have to do with more mundane aspects of the change process such as educational systems – e.g. in business education, around sustainability, human rights, equity, labour rights, corruption, values and the need for vision, not much of which is actually taught today in many management or management development programmes. A further obstacle is the difficulty of generating adequate metrics that could measure progress or performance on some of these issues.

The potential leverage points that could actually generate change discussed by various participants, however, generates some hope. Based on inside knowledge of the system they work within and hope to change, participants identified points of leverage, mechanisms of influence and different (multiple) points of entry. Leverage points include policy, accreditation, education and training and regulation. Mechanisms to influence change could be advocacy, education, research, collaboration, facilitation and mobilization. Entry points for system change include attracting the interest, attention and support of leaders, educating future and current actors, and lobbying government, industry and community bodies in order to change the framework conditions.

Concluding thoughts

There is a clear and present need for solutions to the interconnected challenges of poverty, globalization and terrorism; peak oil, water neutrality and a zero-carbon economy. Yet we already know enough about economics, about ourselves and about technology to be able to find these solutions now. The Global Compact with its ten Principles outlines a set of values that might (must, even) be incorporated into any SEE as a basic set of foundational values. Yet the participants in the RSE on Sustainable Enterprise ask for something more: they want human-scaled, humanized organizations, embedded with values that make life worth living for both themselves and future generations.

In looking forward there is a vision, a hope and even a myth of a sustainable future. Here we mean 'myth' in the sense of story-telling, of envisioning change and a different world and creating a new narrative about what we are doing here in this world. Story-telling is a powerful vehicle for social change and the Roundtable's participants' comments suggest that there are many ways in which this new story might be developed and told. These conversations called into question what it means to be human, what choices we make everyday as human beings and in societies and what choices we can make as a species to save ourselves and our planet home.