RESPONSIBLE COMPANIES, CAPITALISM AND GROWTH*

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A combination of globalisation, digital developments, outsourcing, the changing the nature of work and organisations, innovation, a relentless drive for efficiency and new business models are reallocating costs and benefits to the extent that while some people are evident winners on certain measures, others consider themselves losers. Over the last twenty five years companies have moved jobs to lower wage locations. We have seen a steady de-industrialisation of traditional industries in developed countries and the rapid industrialisation of certain developing countries (Baldwin, 2016).

For many people, the costs of globalisation, whether lost jobs, increased pollution, stagnant real average incomes in some developed countries or greater inequality and urban-rural divides in many developing countries, seem to outweigh the benefits. There is insecurity, pressure and uncertainty. Strains and fault lines threaten social cohesion. The symptoms of disquiet include academic critiques of capitalism, protest votes in elections and suggestions that business leaders pursue narrow, vested and self-interests at the expense of a wider public good. Are companies and capitalism uncaring and irresponsible? Is a shift of direction, priorities or emphasis required?

Is growth responsible and inclusive? Are its benefits being widely shared? When changes occur, invariably some may gain while others loose. Was the UK Brexit vote and Donald Trump's success in the US presidential election in part a protest by those who feel they have been left behind and forgotten? How might the excluded and marginalised in developing countries react when they see others reaping benefits that continue to elude them? Will more of them believe “the system” is rigged in favour of an international elite while others struggle to cope? What can be done to increase confidence in corporate leaders and build trust with legislators, regulators and the public?

RESPONSIBLE AND INCLUSIVE GROWTH

Could better public relations explain the contribution of business or is more fundamental adjustment required? Underlying public concerns, are there real issues to address, such as ageing societies, sustainability, global warming, migration flows and the impact of AI, robotics and automation on employment prospects and whether innovation and entrepreneurship will deliver solutions or compound the problems? Do we need more responsible growth and what does this mean?

Do we also need more inclusive growth? The communiqué issued after the G20 (2016) summit in Hangzhou expressed support for “closer partnership”, an “inclusive world economy” and “sustainable, balanced and inclusive growth”. “Inclusiveness” was one of four foundations of the the Hangzhou Consensus: “We will work to ensure that our economic growth serves the needs of everyone and benefits all countries and all people including in particular women, youth and disadvantaged groups, generating more quality jobs, addressing inequalities and eradicating poverty so that no one is left behind.”

Societies face various challenges and opportunities. Are directors focused upon consolidation, rationalisation, cost-cutting and squeezing more out of existing operations rather than innovation and entrepreneurship? Rather than buy-back shares should they invest in new industries? Are many corporate leaders keeping existing shows on the road and protecting past investments rather than creating more sustainable alternatives? Where innovation occurs, does more thought need to be given to the social consequences of what Schumpeter (1942) termed “creative destruction”?

UNCERTAINTY AS OPPORTUNITY

Directors, boards and companies act within the context of a wider economy. Steve Hilton (2016) has suggested their activities have enriched a small elite at the expense of the poor and called for radical change and for the public "to take back the levers of power". Could business leaders do more for certain stakeholder groups and wider society? Uncertainty is challenging, but could collaborative responses to uncertainty create closer and more strategic corporate relationships with customers, suppliers, business partners and others?

Uncertainty is a fact of life for many - if not most – entrepreneurs. While cautious and risk averse boards put investment plans on hold during periods of uncertainty, more adventurous, courageous and entrepreneurial spirits respond differently. They gain competitive advantage, grow market share and develop first mover leads while others hold back (Coulson-Thomas, 2011). Opportunity could be another word for uncertainty. Our challenging business environment offers unprecedented opportunities, including to create more caring, responsive and responsible companies.

Do we need a broader and more open and inclusive perspective in corporate boardrooms? Do we require more inspiring, questioning and innovative corporate leaders who can engage with a wider range of stakeholders? Would we benefit from a greater diversity of thinking? Priorities are shifting. What will a desire for greater social impact mean for corporate social responsibility (CSR)? Established structures are giving way to networks, communities and project groups. New rules of engagement may be required with a wider range of stakeholder interests. To do things differently, do we need to question, stretch imaginations and encourage the challenge of orthodoxy?

BOARD LEADERSHIP AND CHANGE

How can boards give a lead in addressing public concerns, restoring trust and achieving more sustainable, responsible and inclusive growth? Should they consciously set out to build more caring companies and a more sensitive capitalism? How might social purpose and responsibility, sustainability and achieving greater beneficial social impact become more central elements of a total corporate strategy? What forms of leadership and control are needed to achieve this?

The UK's Financial Reporting Council is examining the relationship between corporate culture and behaviour (FRC, 2016). Does a desire for a more significant and positive social impact have implications for corporate culture, values and ethics? Could a fairer allocation of costs and benefits be achieved with existing cultures, structures and resources if a shift of focus and priorities occurred? Might it be possible to preserve many of the benefits of innovation and globalisation if they were accompanied with initiatives to address some of their negative social impacts?

Stephanie Flanders (2016) recognises the challenges involved in building an economy that works for a wider range of interests. She believes that while companies can make a contribution, Governments need to pursue more inclusive growth strategies that can help to rebalance economies. The extent to which companies might work with them and are seen as potential collaborators rather than as a cause of certain social problems will depend upon how directors define corporate purpose.

REASSESSING CORPORATE PURPOSE

To whom should tomorrow's company be accountable and what should its purpose be? In answering this question there are inter-generational differences to recognise and address (Twenge and Campbell, 2008). For younger and future generations might furthering a cause or a social purpose and having a positive social impact be more appealing than 'fitting in', 'playing the game' and 'getting on'? Might more business leaders seek to turn their organisations into a cause that motivates others? A challenge for boards is to ensure the purpose of a company is one people can relate to and that engages them, so that individual and corporate purpose are aligned.

Corporate vision and purpose should have meaning not just for employees, but for other stakeholders as well. Contemporary corporate governance assumes accountability to shareholders. As barriers to entry and initial capital requirements fall, and the development of more entities is funded by customers, will more companies redefine their purpose? What might governance requirements and corporate purpose look like if one replaced shareholders with customers or “associates”, whether employees, business partners or entrepreneurial citizens?

A change of corporate purpose and engaging with a wider range of stakeholders raise questions for corporate governance. Does it need to become more open and democratic? Should it involve more people? Should a wider range of inputs be sought and additional groups engaged when visioning and other exercises are undertaken? How could the adoption of a corporate purpose that addresses a wider range of interests and fosters responsible growth be both embedded into corporate strategy and facilitated by legal, regulatory and/or governance changes?

SUSTAINABLE BUSINESS AND RESPONSIBLE GROWTH

G20 (2016) leaders aspire to promoting further growth provided it is sustainable: “We are determined to foster an innovative, invigorated, interconnected and inclusive world economy to usher in a new era of global growth and sustainable development ”. Tim Jackson (2016), a sustainability adviser to the UK government, has questioned the desirability of continued economic growth in developed nations. He believes human society can flourish within the ecological limits of a finite planet, but that fulfilling this vision is the most urgent task of our times.

It is also a challenge that requires collaboration. A number of Governments have introduced measures to help public and private organisations, and the public in general, to adjust to new sustainability requirements (Bithas and Christofakis, 2006). Depending upon their capabilities, companies could offer to participate in the determination and implementation of such measures. For some, sustainability and other challenges might represent opportunities to introduce new offerings. Flanders (2016) has suggested we need to reassess the indicators we use to measure growth and success, for example to take account of the extent to which they are inclusive.

In relation to sustainability, inclusion and reaching a wider community, rural areas can present a particular challenge (Coulson-Thomas, 2016). The industrialisation and rapid growth in many developing countries that results from globalisation is often concentrated in certain locations. There is a large and often growing gap between the more affluent areas of cities and the poverty experienced in many rural areas. The lure of the opportunities found in urban areas, both real and imagined, acts as a magnet, causing a flow of economic migrants from country to town.

BRIDGING THE URBAN-RURAL DIVIDE

According to the UN (2016): “More countries are making an effort through e-government to ensure that public institutions are more inclusive, effective, accountable and transparent”. Digital services and the provision of greater bandwidth in remoter areas can help to bridge the urban-rural divide. Greater connectivity can facilitate the delivery of e-Government services, participation in distance learning opportunities, local networking and the greater use of e-business to deliver services remotely and sell local craft and other products via the internet.

The greening of cities and wider adoption of new ways of working, learning and shopping could reduce congestion, pollution and temperatures in urban areas, but for the net flow of people from country to town to be reversed, basic rural services such as sanitation facilities, clean water and accessible health care need to be improved. It would also help if the local sports infrastructure were both better utilised and improved, and wider opportunities for participation in the creative arts in rural India provided. Greater inclusion, whether of the disabled or those in rural areas, could represent a corporate purpose that creates opportunities and a cause some stakeholders would share.

Should the aim be to sustain an acceptable quality of life for the great majority of citizens, whether they are in living and working in the countryside or in urban areas? Rural dwellers are unlikely to welcome a reigning back of overall development that could trap them in poverty, but could the improvement of local infrastructure and services make country living attractive to the point that the choice between city and rural living becomes a lifestyle decision rather than an economic one? With the vibrancy of city living comes overcrowding, congestion and atmospheric pollution (Newman, 2006), while country living and being closer to nature could be less intense and stressful.

ALTERNATIVE STRATEGIES AND SUSTAINABLE LIFESTYLES

Sustainability is a corporate purpose and cause that could appeal to younger generations. The adoption of more sustainable lifestyles would make fewer demands upon scarce resources and contribute less to global warming. Might there be enough people keen to adopt them to justify exploration of different options for living simpler and less material lives, underpinned by appropriate educational and healthcare infrastructure?

Companies often pursue a strategy of minimum differentiation. They offer similar products and services and aim at the largest customer segments. This creates opportunities for the enterprising and entrepreneurial to develop different strategies to create alternative enterprises that offer new choices for those who would prefer different lifestyles (Coulson-Thomas, 2001). Could a greater diversity of accommodation and other services enable those with particular lifestyle aspirations to connect with and/or join communities holding similar views? Would moving between lifestyles, perhaps at different stages of life, give people a richer life experience?

There are various causes such as the preservation of biodiversity that could have a particular resonance for younger generations whose future lives could be adversely affected by unwelcome developments. The existence of uncertainty implies that less is pre-ordained and the future might not be more of the same. This could increase the opportunity for those who do take a longer-term view and act to make a difference. Might appropriate action in relation to sustainability also create better than average or expected returns (Clark *et al*, 2014)?

UNDERSTANDING AND PRIORITISING STAKEHOLDERS

Company law and stock exchange listing requirements usually put particular stress upon the interests of shareholders. Yet other sources of finance and stakeholder groups are important for companies and vice versa. The contemporary company is a network of relationships with multiple stakeholders. Among these groups, customers, employees, suppliers and business partners can be as important as shareholders - if not more important - for a company's growth and development. Directors should periodically review a list of stakeholders along with their requirements, where a company stands in addressing them and next steps for building mutually beneficial relationships.

Without the continuing support of customers a business cannot survive, while for some customers, their purchases can be a matter of life or death. Companies vary greatly in the steps they take to build relationships with strategically important customers and key accounts (Hurcomb, 1998). Many activities, operations and associated jobs are dependent upon bought in raw materials, components, supplies or services. The support of a local community can also be a positive factor.

If not satisfied, each group of stakeholders can take decisions that could harm the future prospects of a company. While some investors might sell their shares if not satisfied with dividend levels, customers who feel short changed and key employees who are dissatisfied may look elsewhere. Important suppliers and business partners who are not fairly treated might give more priority to other relationships, or even walk away. A local community and its representatives could oppose a planning application. In short, not caring, engaging and having a social purpose has implications.

STAKEHOLDER RELATIONSHIPS

While in company law the interests of shareholders are usually paramount, they cannot be pursued to the exclusion of all other considerations. In practice directors have to achieve a balance between the interests of all stakeholders. They ignore certain interests at their peril. Those who do not pay taxes that are due, ignore a regulatory requirement or flout the law can face sanctions such as prison sentences or the forced shutting down of corporate operations. In potential insolvency situations the interests of creditors come to the fore.

The roles and responsibilities of directors are such that they often face dilemmas (Dunne, 2005).
A board cannot give so much away to particular groups that it does not retain sufficient resources for building the capabilities to ensure a company's own survival and development. Relationships with stakeholders need to be mutually beneficial and based on trust if they are to endure in uncertain times. To what extent in such circumstances can and should directors aspire to do more than just enough to keep different stakeholder groups on side and retain a competitive advantage?

Where appropriate, directors should disaggregate stakeholder communities to identify the different groups that might be found within them. For example, in many countries young people face particular challenges, whether finding a job or acquiring a home, and there is a risk of inter-generational conflict (Robbins and Wilner, 2001). On some boards, individual directors assume responsibility for taking an interest in the requirements and views of particular stakeholder groups.

BUILDING CONFIDENCE AND TRUST

Fleming (2016) foresees tough times ahead, including higher levels of unemployment, but he believes sustainability and other challenges can be addressed without assuming continuing growth if there is reciprocity, trust and community solidarity. Although unsettling, collaborative responses to uncertainty can create closer relationships with customers, suppliers, business partners and local communities. Unfortunately, corporate governance scandals, allegations of excessive executive pay, exclusion and other concerns have resulted in public cynicism and distrust in many countries. Some boards need to take urgent steps to restore and sustain confidence, credibility and trust.

Traditional responsibilities to ensure solvency and promote the best interests of a company remain. Value still needs to be created, but do many boards need to devote more attention to its allocation in order to benefit more stakeholders and a wider society? Efficiency, economy, innovation and productivity in value creation can still be vital for sustainability, so long as they are pursued responsibly and at an acceptable cost. The bigger the cake, the more there is to allocate, including to the company itself to enhance its capability to create future value and improve social impact.

Directors need to understand their duties, responsibilities, rights and obligations in the company law and other requirements of the various jurisdictions in which they hold appointments (Makhija, 2016). Because of the social impacts of their operations, they also need to be aware of public sentiments and calls for intervention in the economic and market contexts in which they operate.

Revisions of company law have recognised the wider responsibilities of directors. In the UK, when taking decisions they are now expected to have regard to the interests of stakeholders other than shareholders. In India, companies that meet stated criteria are now expected to devote 2% of net profit to socially responsible activities. Could cynicism, disquiet and the continued pursuit of what might be regarded as particular interests at the expense of the broader public good result in further pressure for legislative and/or regulatory changes to widen the remit and perspectives of directors?

WIDER ENGAGEMENT AND EMPOWERMENT

Standing (2016) suggests contemporary capitalism enriches the owners of property – financial, physical and intellectual – at the expense of wider society. While some live a precarious existence as a result of factors such as outsourcing, off-shoring, automation and the on-demand economy he suggests an elite enriches itself, aided by subsidies, tax breaks, debt mechanisms and the privatisation of public services. Will this process continue and spread, or could digital and other technologies be used to re-skill and empower the "precariat" he describes?

How could digital applications allow a company to play a more significant role in developing social entrepreneurship and the skills needed to create more opportunities for income generation and both employment and self employment? Could they contribute to the up-skilling and re-skilling of transforming economies and boost employability and entrepreneurship? Digital developments can require new skills and also be a means of delivering programmes to develop a variety of other skills.

Improved technical and vocational education has been used in certain developing countries for addressing employment and poverty issues in rural areas (King & Palmer, 2007). There could be a role for social and private entrepreneurship in rolling out suitable provision, but steps would need to be taken to ensure the relevance and quality of what is provided. One might need also to counter negative attitudes that vocational education is for those who fail to progress academically by establishing more competence-based routes to entrepreneurship. Could more responsible corporate actions build bridges between business and society? Could corporate capabilities contribute to achieving the scale of impact needed to address a social challenge such as education for the masses?

WIDENING PERSPECTIVES

Will directors who have hitherto largely focused on shareholder interests be able to broaden their perspective and engage with a wider range of stakeholders, whether because of the realities of marketplace survival and sustainability, or because of government intervention? A board should understand the market, social and regulatory context within which is operates and be able to take a longer-term view. With increasing awareness of climate change and natural capital, does the perspective of boards and CSR need to embrace the planet as a whole (Woodwell, 2016)?

Is a change of attitudes required? Will boards adapt to changing requirements and conditions? Many directors have reservations about the value of regulation, its costs and the attendant risks of unintended consequences, but in relation to the environment and sustainability is such action required (Woodwell, 2016)? How might this best be done at an international level?

Could the more active involvement of business in the formulation of public policy and the drafting of regulations increase the effectiveness of intervention and reduce its costs? Those directly affected by regulations often act to protect their vested interests, but could consultation with a wider range of socially responsible companies counter this, reduce barriers to entry and create a level playing field and more opportunities for entrepreneurs to introduce more sustainable offerings and practices?

COLLABORATION AND PARTNERING

Does greed and the primacy it gives to private interests mean that capitalism cannot serve the public good? Will growing inequality, soaring indebtedness and reactions against austerity mean that it is destined to end in a state of limbo until replaced (Streeck, 2016)? Do such criticisms overlook benefits of globalisation such as the increased trade and inward investment enjoyed by China and India and the risk that democracy rather than capitalism might be under threat (Wolf, 2016)? Could directors, boards and CSR enable a transition to a more caring and collaborative form of capitalism?

Are companies alert to the changing roles of Government bodies and NGOs? Do these create new opportunities for partnerships, for example in the building of more sustainable communities? How should such partnerships be managed, governed, monitored and reported? What can CSR contribute to collaboration and how can one best build capability with NGOs and other partners? For example, could CSR and other corporate resources be used to collaborate in the creation of a sustainable and more inclusive sports infrastructure across India (ET Bureau, 2016)?

Are new forms of agreement such as public private partnerships and separate collaboration vehicles required? When new national and international initiatives are announced, should companies more actively consider how they might best contribute to them? Where companies stand aside, could their inaction result in further calls for more public intervention?

PUBLIC INTERVENTION AND REGULATION

In seeking to encourage and achieve longer-term aims and more beneficial social impacts, boards, Governments and regulatory authorities can use a mixture of carrots and sticks. Boards vary in how they react to external actions and impositions such as incentives, laws or regulatory action. Much depends upon whether directors sympathise with the purposes of particular actions and the respect they have for the relevant authorities. Responses could also increasingly reflect general public opinion, a wider range of interests and the prospects of further intervention.

Where rules and benefits are clear, known and relatively easy to observe; costs are modest, bearable or justifiable; and others are seen to be complying, a board might fall in line. Incentives and benefits for reputations and certain relationships may encourage compliance. On other occasions, corporate responses could be reluctant and dependent upon enforcement considerations such as the risk of being reported, inspected and found wanting and the severity of any sanctions that might be imposed. Ideally, corporate and political policies should evolve together (Bleischwitz, 2004).

Governments and legislators vary in their views of business and their assessments of how best to act when they and others feel that an issue of concern needs to be addressed. They may be lobbied by vested interests and exposed to different viewpoints among supporters and experts concerning what should be done. A balance might need to be struck between demonstrating concern and discharging a duty of care to protect the public on the one hand, and avoiding a disproportionate burden upon business. Sometimes incentives can be a better option than regulation (Thaler & Sunstein, 2008).

Moving too slowly can attract vocal criticism, but hasty responses can sometimes be counter-productive and lead to unintended consequences. Legislation can be inflexible. Sometimes a situation can change during the protracted process of passing legislation and drawing up the guidelines and other arrangements that may need to be put in place before its provisions can be implemented. Regulations can sometimes shift problems rather than solve them.

INTERVENTION AND INNOVATION

What role should standards, rules and codes play in relation to CSR and the creation of more responsive and responsible companies? Given the diversity of corporate contexts, situations and circumstances could they constrain, stifle innovation and diversity, or result in a dumbing down to a dull uniformity? Alternatively, given the common and/or similar challenges and opportunities that many companies face, could they be a helpful enabler that also allows compliance and/or progress to be demonstrated, monitored and reported?

Are companies, policy makers and standards helping or hindering innovation-led growth? Are we on the threshold of fast-and-furious technological development? Fredrik Erixon and Bjorn Weigel (2016) suggest that in Western economies innovation is being hampered by government regulations and corporate practices. If this is so, how might India and other countries avoid a similar experience and achieve the innovation-led growth and entrepreneurship that would reduce inequalities, increase inclusion, improve social impacts and address longer-term issues?

When legislating or regulating, should one be prescriptive and set a single standard, or focus upon establishing outcomes, while allowing some flexibility in terms of how they might be achieved? Businesses are often more receptive to approaches that recognise the different situations and circumstances in which they may find themselves. Measures that are perceived as simple, fair and robust, but also consistent and proportionate, may be more readily adopted. Voluntary responses based upon transformation can reach more deeply than imposed change.

EVALUATING PROGRESS

In dynamic situations, an iterative approach may be required, involving collaboration and partnership between Government, regulator, major companies and industry bodies. Customers and users may sometimes also need to be involved. Current and future directors and other corporate leaders may need to engage in more imaginative ways with wider society (Browne et al, 2015).
How will we know whether or not and to what extent we are succeeding? Do we need to look beyond activities and develop more appropriate indicators that include measures of inclusion (Flanders, 2016)? Is there a productivity issue in relation to cost-effectiveness of social impacts?

How should one assess, evaluate and interpret the extent to which corporate actions and activities are responsible, sustainable and having a beneficial or negative social impact? What factors are influencing and/or distorting our expectations, perceptions and judgements? Who can we rely upon for independent and objective views? What criteria should be used to measure and maximise desired social impacts? Should urban and rural impacts be differently weighted? Should social audits be undertaken to assess progress against stakeholder expectations?

How business values and culture relate to those of society can impact upon stakeholder engagement (Montagnon, 2016). Boards need to ensure that CSR, social and other corporate programmes are aligned and consistent with corporate purpose, values and goals? Who within the boardroom and executive team should have overall responsibility for monitoring and reporting on social initiatives, programmes and impacts? What reports should the board receive and what should be shared with other stakeholder groups? Are additional approaches, methodologies, tools and support required?

SOCIALLY RESPONSIBLE INVESTMENT

A key finding of The Harvey Nash / Alumni Board Report 2016/17 (2016) is that business needs to impact on broader society: “Businesses need to make a fair financial return on their activities, but they also have a responsibility to drive positive social outcomes, including wealth creation, societal well-being and benefit, as a by-product of their activities”. Could shifting focus from short-termism and shareholders to stakeholders and sustainability actually increase returns (Clark et al, 2014)?

How will responding to wider concerns impact upon social return on investment? What roles should social entrepreneurs play, either within companies, in collaboration with them or independently? What role should existing companies play in the development of social markets and social entrepreneurship? If social investments satisfy ethical investors and generate positive returns will mandatory requirements such as those in India's 2013 Companies Act become a minimum or an outdated representation of expectations and possibilities?

As corporate networks embrace relationships with social entrepreneurs, social ventures and various collaborations to address wider social issues, how will public perceptions of companies and their brand images change? Will new communication, engagement and management skills and new fund raising approaches and financing mechanisms be required? Will we see a blurring of boundaries and greater mobility of staff between the corporate, public and voluntary sectors? Will this lead to a wider sharing of the proceeds of growth, or as Standing (2016) suggests merely consolidate the advantages of a current establishment which embraces business, political and public leaders?

CHANGING GOVERNMENT-BUSINESS RELATIONS

Could greater corporate focus upon social impacts result in a closer alignment of business and Government objectives? Peter Drucker (1985) suggested that over time human institutions can outlive their original purpose as situations, circumstances, perspectives, requirements and priorities alter. They can imperceptibly change from being a solution to a pressing problem to become a new obstacle to progress. He believed innovation and entrepreneurship were needed in wider society. To what extent should they apply to Government-business relations?

Has Government intervention from Companies Acts to Sarbanes-Oxley in the US and regulatory requirements facilitated or inhibited innovation and entrepreneurship? Where they have occurred, is this in spite of public policy and external intervention rather than because of them? Has regulation created a community of advisers and experts who have a vested interest in putting the case for ever more detailed intervention, because their own livelihoods depend on the consequences? How should business leaders engage with Government to help develop more effective approaches?

As new business models, alternative forms of organisation and new patterns of work and operation emerge, is a primary focus upon compliance out of sync with contemporary diversity? Does it breed tick-box responses and legalistic attitudes? How might the regulatory framework evolve if the balance of costs and benefits of different alternatives change or new requirements emerge? Is there a role for business to collaborate in the design of more flexible regulatory frameworks?

COLLABORATING TO ADDRESS SHARED CHALLENGES

Wider society faces many of the challenges faced by boards, including sustainability and coping with uncertainty. For example, given technological developments such as AI and robotics, where will future jobs come from (Ford, 2015)? Will large companies owned by external shareholders account for a declining proportion of assets and associated economic activity as people cut them out and barter and share what they have, whether an empty room, a car or home grown vegetables? Will those living healthy lives for longer help each other, become more self-sufficient and do things together within their communities? Arun Sundararajan (2016) believes “the sharing economy” could mean “the end of employment” and lead to new generations of micro-entrepreneurs.

Individuals who take the initiative may find that their ability to quickly adjust, adopt new technologies, and re-learn or embrace new opportunities, far exceeds that of less flexible centrally controlled groups that have to await a new policy or direction from a board before they can change.
Those who are not employed by others and who do not become self-employed and entrepreneurs will need activities to occupy them. They will also require some form of income or other financial support to cover the basics of life and be consumers. Do companies large and small and governments have a shared interest in addressing such social challenges and creating solutions?

If corporate leaders are proactive rather than defensive, and they respond imaginatively and see issues as opportunities for new approaches, one could envisage an era in which cynicism and mutual suspicion is replaced by a new partnership between business and government. At the 2016 Conservative Party Conference, a theme of UK Prime Minister Theresa May's speech and a challenge to her ministerial team was creating an economy that works for all and not just a few (May 2016). Given the common challenges facing them, other Governments, CSR teams and boards that take a longer-term and wider view of their responsibilities might well share this ambition.

RESPONSIBLE BUSINESS AND COLLABORATIVE CAPITALISM

Responding to challenges and opportunities in the global economy and helping people to cope with them could create an historic opportunity for businesses, government, public bodies and regulators to work together to ensure the results of growth are more widely shared. Could we be on the threshold of a new era of cooperation and collaborative capitalism? Could this reinvigorate CSR and lead to a new division of labour between public bodies and private enterprises? Might hierarchical organisations with a primary focus upon shareholder requirements give way to collaborative networks that embrace a wider community of interests and take a longer-term view?

The challenge for directors may increasingly be to build concerned, sustainable and responsible companies that work for all and not just a few. In a diversity of organisational forms employing a variety of business models, they may need to engage a wider range of interests, articulate shared causes, and inspire innovative solutions. 'New leadership' and performance support with their emphasis upon helping people to excel and achieve rather than issuing top-down directives can abolish traditional trade-offs of interests and provide an affordable route to high performance organisations, responsible growth and the simultaneous delivery of multiple outcomes that benefit a variety of stakeholders (Coulson-Thomas, 2012a & b, 2013).

If business leaders can restore trust and build confidence and credibility, they could create a once in a generation - if not lifetime - opportunity for collaboration, cooperation and partnerships with other enterprises, Governments, legislators, regulators, public bodies and other stakeholders. They could work together with their peers and supportive interests to address shared challenges and create and build economies with responsible and sustainable companies that benefit wider society, future generations and the natural environment.

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