

## History of Corporate Social Responsibility and Sustainability

The history of social and environmental concern about business is as old as trade and business itself. Commercial logging operations for example, together with laws to protect forests, can both be traced back almost 5,000 years. In Ancient Mesopotamia around 1700 BC, King Hammurabi introduced a code in which builders, innkeepers or farmers were put to death if their negligence caused the deaths of others, or major inconvenience to local citizens. In Ancient Rome senators grumbled about the failure of businesses to contribute sufficient taxes to fund their military campaigns, while in 1622 disgruntled shareholders in the Dutch East India Company started issuing pamphlets complaining about management secrecy and “self enrichment”.

With industrialisation, the impacts of business on society and the environment assumed an entirely new dimension. The “corporate paternalists” of the late nineteenth and early twentieth centuries used some of their wealth to support philanthropic ventures. By the 1920s discussions about the social responsibilities of business had evolved into what we can recognise as the beginnings of the “modern” CSR movement. In 1929, the Dean of Harvard Business School, Wallace B. Donham, commented within an address delivered at Northwestern University:

*'Business started long centuries before the dawn of history, but business as we now know it is new - new in its broadening scope, new in its social significance. Business has not learned how to handle these changes, nor does it recognise the magnitude of its responsibilities for the future of civilisation.'*

Almost seventy five years later, these words ring just as true. Although today we face some novel concerns about the role of business in society, from internet “spam” to genetically modified foods, many of the issues under discussion are not very different to those being raised in the 1920s. There is a danger that social and environmental concern about business is an issue which, like sex, every new generation thinks that it has discovered. The interactive timelines below provide details of the evolution of the history of our environment, the history of business corporations, the evolution of the concept of sustainable development and the history of business law and socially responsible investment as forces seeking to shape the social and environmental impacts of business.

### Environmental History Timeline

Human activity has impacted our physical environment in ways which stretch back before the dawn of civilisation. The deliberate use of fire to clear land, for example, began tens of thousands of years ago. As human civilisations arose, so the impact of economic activity on local environments became an important issue. Deforestation and soil erosion caused the decline of many ancient cities and civilisations. By the time of the Greek and Roman empires, we can see new concerns arising about issues such as pollution and occupational health. With industrialisation, concerns about localised environmental impacts gradually evolved into concern about the global environment. During the Twentieth Century, this concern has developed into a debate about the sustainability of our economy and the societies and environment within which it exists. Also during the last century, we have witnessed the rise of global companies, and individual companies and their actions now feature prominently in

discussions about the environment. All of these issues are captured in the [Environmental History Timeline](#) from Radford University.

### **Sustainable Development Timeline**

The IISD provides an online [Sustainable Development Timeline](#) which provides a summary of the key events, ideas and organisations that have been involved in the evolution of sustainable development from the years 1962 to 1993. A more up to date printed version is [here](#). Another brief timeline going up to 2007 comes from [EarthPortal](#).

### **Development of Corporations Timeline**

The key events in the development of what we would recognise as the modern business corporation are encapsulated in Open Democracy's [Corporations: Power & Responsibility Timeline](#). This moves from the foundation of the first English joint stock company in 1553, to continuing concerns about corporate overstatements of earnings, and business-government links in the USA in 2003. Although the latter years have a distinctly American focus, the overall timeline covers key developments across the globe.

### **Development of Socially Responsible Investment (SRI) Timeline**

A timeline which traces key events in religious, environmental, human rights and labour relations history, in relation to SRI is presented by US investment firm Calvert, which specialises in such investments. This [SRI Timeline](#) has a US focus and is also slanted towards Calvert's own involvement in the development of the SRI movement. However, it covers many of the key milestones worldwide in SRI's journey from its Quaker roots over 300 years ago to the multi-trillion dollar industry that it represents today.

### **Business Law Timeline**

Although this begins around one thousand years ago in England and Europe, this [Business Law Timeline](#) (a supporting resource to Henry Cheeseman's Business Law book published by Pearsons) rapidly becomes focused entirely on the USA. This makes it of limited use for those in other countries, but it does illustrate the evolution of business regulation and key cases involving global companies.

### **Learning the Lessons from History**

A recurrent theme in terms of social and environmental disasters involving businesses has been a failure to learn the lessons of the past. There have been several recent issues where this appears to have occurred:

**Financial mis-selling:** Sir Howard Davies as outgoing Chairman of the Financial Services Authority used his last annual meeting to criticise companies for selling products for short-term profit rather than looking after their customers, saying: "*The biggest disappointment of my time at the FSA has been the failure of firms, and particularly their senior management, to learn the lessons of past mis-selling*". This

is despite the fact that the earlier pensions mis-selling scandal had cost the industry some £11bn in compensation (see [Pensions Selling Scandal](#) from Pensionsorter for an outline of key issues in pensions mis-selling).

**Foot-and-Mouth Disease:** The 2001 outbreak of Foot and Mouth disease caused havoc in the rural economy, involving the slaughter of 7 million animals and costs estimated at around £ 9 billion. Evidence suggests that despite the legislation and policies implemented in the aftermath, there have not been sufficient changes to livestock rearing practices to prevent future outbreaks. (See [The UK Foot and Mouth Epidemic of 2001: A Research Resource](#) from BRASS for full details on the crisis and the lessons not yet learnt from it).

**Overfishing:** The current concerns over stocks of cod and other fish in the North Sea suggest that previous lessons about the consequences of over-fishing have not been learnt. Thirty years ago herring was so popular that stocks collapsed and have only recovered enough since to allow controlled fishing. Canada suffered similar problems 11 years ago, when one of the world's most abundant cod populations declined to the point that it had to be protected with a total fishing ban resulting in 40,000 lost jobs (A summary of that crisis and its impacts on employment are provided by this Government of Newfoundland and Labrador [press release](#)).

It was Karl Marx who observed that those who ignore their history are bound to repeat it. To make further progress towards more socially responsible and sustainable business practices, we will need a mixture of new ideas about the future and wisdom drawn from the lessons of the past.