

Richard Gush Memorial Lecture, 2015
Rob Thomson
Human Economic Activity: Holding Organisations Accountable for an
Environmentally, Socially and Economically Sustainable future

Abstract

In this lecture, which related to doctoral studies by Mrs Taryn Reddy under Rob Thomson's supervision, Rob outlined the need for a new approach to economics. This is necessitated by world population growth, the excess of the ecological footprint of humanity over the carrying capacity of the Earth, the limits to growth and the effects of human-induced climate change. The dominant neo-classical school of economics views the world's economy as a closed system in which nature is treated as a free gift. That is increasingly untrue. The inputs from the environment into the economy and the outputs from the economy into the environment are becoming critical. Growth in gross domestic product (GDP) has become the dominant policy objective of our time. But it measures the wrong thing. It fails to measure the environmental sustainability of the system, it fails to measure the excesses of the rich countries, it fails to measure the inequality between the rich and the poor, it fails to measure human well-being, it fails to distinguish between wants and needs and it even fails to measure the economy. In fact any measure expressed in terms of monetary currency is reductionist; the state of the environment cannot be measured in terms of money, nor can human well-being.

Public activism about the economy tends to be directed towards governments. However, Rob pointed out that power is shifting away from democratic processes and into company boardrooms. This means that both corporate organisations and governments must be held accountable for the effects of their activities on the environment, on society and on the economy. Just as we use a financial bottom line to hold a company accountable to its shareholders for its finances, so we need an environmental bottom line to hold it accountable for the effects of its activities on the environment, a social bottom line to hold it accountable for the effects of its activities on society and an economic bottom line to hold it accountable for the effects of its activities on the economy—a 'triple bottom line' comprising one figure in respect of each of these domains. He outlined the way in which the idea of a triple bottom line was currently being implemented and the problems relating to those methods. There are three major problems with these methods on environmental and social reporting. First, unlike the financial bottom line, they are practice-based, not outcomes-based; in other words, they don't measure the ultimate effects of the organisation's activities on the environment and on society. Secondly, unlike the financial bottom line, there's a plethora of measures available and organisations can choose which ones they want to report. And thirdly, unlike the financial bottom line, one cannot add them up.

Rob outlined a way in which a single-figure outcomes-based measure could be developed in each domain and how it could be used for the purpose of holding organisations accountable for the effects of their activities on each domain and for the purpose of establishing whether those activities will be environmentally, socially and economically sustainable in the future. He explained how these measures would overcome the problems with the current reporting system.

He emphasised that Taryn and he were not trying to pass judgement on an organisation for incurring environmental, social or economic costs. Just as an organisation will inevitably incur financial costs that will be deductible from its income, so it will inevitably incur environmental, social and economic costs that will be deductible from the positive effects of its activities on those domains. However, just as an organisation needs to

account to shareholders for its profits, so it needs to account to all its stakeholders for the effects of its activities on all three domains.

Besides showing how an organisation could be held accountable for the effects of its own activities on the three domains, Rob also showed how brandholders could be held accountable for the effects of the production of their products. This could be done by analysing the value chain of each product from the extraction of its raw materials, through the value added (or subtracted) in production, distribution, consumption and disposal in each domain. He suggested that, besides the price, a supermarket price tag could also show the value added (or subtracted) in each domain.

He also explained how investors could be held accountable in each domain for their investments in organisations.

He suggested that the principle of holding organisations accountable year by year for the effects of their activities on the environment, on society and on the economy lies at the heart of Quaker testimony. So does the principle of holding organisations responsible for the environmental, social and economic sustainability of their activities in the future. Because human well-being would be measured in terms of the meeting of needs instead of the satisfaction of wants we would be fostering our testimonies on equality and simplicity. Because we would be calling for accountability and responsibility in terms of outcomes in the three domains we would be fostering our testimony on truth. Because we would be treating human society and its economy as stewards of the environment we would be promoting the more recently established testimony on the environment.

Central to the teaching of Jesus of Nazareth was the kingdom of God. He did not have a gospel of salvation from sin or a gospel of personal purity, he had a gospel of the kingdom of God. In Quaker usage we might express this as the 'right ordering' of society. We usually use 'right ordering' in relation to our own affairs, but Rob suggested that we need to extend it to society as a whole. Jesus did not expect everyone to become Jews in order to establish the kingdom of God. He set the kingdom of God in contrast to the world's kingdoms characterised by domination, oppression and exploitation. Similarly we should not expect everyone to become Quakers to foster the right-ordering of society.

As Nozizwe Madlala-Routledge reminded us in her Richard Gush lecture in 2006, what we need to do is to speak truth to power. Success is nice, and we should try and succeed, but we are not called to be successful. We are called to be true. The real question, Rob suggested, is not whether this teaching is true or that belief system is true, but Am I true? We are called to be true to our experiment with the ground of our being and to speak that truth. To the extent that this truth resonates in the hearts and minds of people—especially in the hearts and minds of the oppressed—it will succeed in changing the world. But in the mean time we are called to be true. The truth that Taryn and he want to tell from this research is that it is conceptually feasible to formulate measures that can be used to hold organisations accountable for the ultimate effects of their activities on the environment, on society and on the economy from year to year and to hold them responsible for the local and global sustainability of their activities in the future. Much work will still have to be done to make these measures implementable. That would be beyond Taryn and Rob's capability. There would be opposition to the implementation of these measures, both from organisations whose interests are threatened and from genuine critics. But they could show that it is conceptually feasible.