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Can Web 2.0 Revolutionize Corporate Responsibility?

[Workshops for Ethics in Business \(GPI Program\)](#), [Global Policy](#)

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[James Farrar](#), [Gerhard Pohl](#), [Emily Polk](#), [Devin T. Stewart](#), [Andrew Zolli](#)

October 3, 2008



Flower Pulled By Web
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Introduction

DEVIN STEWART: I'm Devin Stewart from the Carnegie Council. Welcome.

The question today is: Can Web 2.0 Revolutionize Corporate Responsibility, or what's sometimes known as CSR? Web 2.0 is interactive online video, it's interactive Web; it's social networking. Rather than things going linearly, they are more information and interaction coming from all directions.

Things like crowd sourcing can come to fruition, can actually happen, where companies can pose questions to their consumers and think about how they can improve their products, what's right or wrong, and various other issues that come up.

It's not all good, though. There is a huge question of anonymity.

I have asked some of the panelists to talk about how they see Web 2.0 and how they see corporate social responsibility—what are they, first of all; lots of people disagree on what they are—and how they interact.

I want to give you a little background about this, because this is really something special. This is part of our [Workshops for Ethics in Business](#) program. It's about a quarterly workshop, in collaboration with one of our closest partners, [AccountAbility](#). Steve Rochlin is at the other end of the panel here. He just came straight from Geneva, which is very un-2.0.

So, in the sense that we are creating a Web 2.0 product—we are going to put this up and have it on the blogs and everything—and in the future we hope to have this more interactive, with more people coming in remotely.

This is also part of an initiative by [SAP](#), who is the primary sponsor of this event. SAP has been doing something very interesting, very forward-looking, gathering people in different locations to talk about this very topic, how Web 2.0 can transform CSR and how SAP can respond as a good corporate citizen. And it's also good business, doing well by doing good, or vice versa.

So this is a joint collaboration: SAP, AccountAbility, Carnegie Council. We would also like to acknowledge support for [Merck](#); the [NYU Center for Global](#)

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[Affairs](#); SAP; and our lead sponsor; Booz & Company's magazine [Strategy+Business](#). Our Trustee, [Jon Gage](#), who accompanied me to Beijing, is sitting right there at the head table. We have a lot of very interesting people here in this room, so I don't want to talk too much further.

Just to let you know, this is, I think, the third engagement of the SAP project. It is also in cooperation with [BSR](#), which is based on the West Coast. There is a Levi-supported initiative.

Andrew Zolli is an expert in global foresight and innovation, studying the complex trends at the intersection of technology, sustainability, and global society that are shaping our future. Andrew is also the Curator and Executive Director of [Pop!Tech](#), and he is a Fellow at the National Geographic Society. This is being live Web-streamed, so I hope you're comfortable at home or at your office, maybe covering the bailout.

I'll just turn it over to Andrew right now. Thank you very much.

Andrew Zolli: Hi, everybody. It's great to be here.

Just two quick words of introduction. I'm a forecaster and futures researcher. I'm one of the Explorers of the National Geographic Society and I'm one of the Fellows of the Boston College Center for Corporate Citizenship, specifically looking at the future of the CSR space. I have a long, deep history in Web technology specifically, going back about 15 years in the Web standards creation space. Also, at National Geographic I'm part of their Big and Tall program, where they fit fat men into submarines and send them to the bottom of the ocean. Maybe you've head of it. It's called Chubby Cousteau.

I'm going to spend a few minutes talking specifically about a kind of definition of terms, a vision of CSR, and a vision of Web 2.0, and specifically how they might intersect, not only today but over the course of the next five years. I'm going to do that in seven minutes by not breathing.

The first thing to say about this is that, as I think all of us know, there is a deep economic pendulum that swings back with some regular periodicity in our society between periods of time when we celebrate the entrepreneurial power of markets and demonize the regulatory excesses of government and periods of time when we do the opposite.

Over the last 25 years, as all of us have seen, as the [Reagan](#) revolution has played out, the top end of the pendulum as well as the bottom one has swung broadly in the favor of markets, which has put corporations in the kind of commanding heights of the global economy, often without a regulatory partner in government. That has had a signature effect on business, and that signature effect is on their brands.

Brands are the most important intangible, and in fact the most valuable intangible, asset that most large-scale corporations, multinationals, own today. As such, what our research has suggested is the three fastest-growing contributors to brand value today are perceptions of ethical leadership, perceptions of social stewardship, and perceptions of environmental stewardship. Those are the fast movers that are reshaping the most important intangible asset that organizations have.

That's because 25 years ago we would ask what the environmental policy, the labor policy, the human rights policy of government is. Now we ask what the environmental, labor, and human rights policy is of companies like Nike, Coca-Cola, Disney, Microsoft, et cetera.

Now, the thing that's interesting about this is that this is being accelerated specifically by information technology. I'll give you a really good example. If you go to Google and you type in "Home Depot," homedepot.com is the first thing that comes up, and homedepotsucks.com is the fifth thing that comes up. Home Depot's raw material suppliers are the sixth, seventh, and eighth things

that come up. So with one click it's actually impossible, it's actually harder, to avoid peeking into their supply chain than it is to not see into their supply chain. We actually have the issue of information abundance.

What that has done is shift the dynamics of brands away from being purely communicative to increasingly behavioral. For most of these companies it's not about what they say anymore; it's about what they do. The reason it's about what they do is because we can see what they do. We can see if there's a gap between their communications and their performance.

The Web 2.0 revolution, which is about the social authority of content, the mass collective authoring of content, and the dissociating of that content from Web pages and turning it into metadata that can be recombined on the fly by additional computation is only accelerating this trend. So what we have done is we have taken all of the behaviors of business, we've given individuals the ability to actually comment on and see—sort of mass verification of the behavioral dynamics, which are in turn driving brand dynamics.

Where this is headed is, with the advent of some really exciting next-generation platforms, specifically around social markets, and the ability to take the results of those crowd-sourced evaluations of companies and enterprises, and actually attach them to subsequent transactions—so, for instance, I'll give you an anecdotal piece of information today.

Has anyone here ever bought anything on eBay? If you've been to eBay, you've probably looked, at least glancingly, at the crowd-sourced rating of the person you are buying from.

Now, we went through something in my company recently where we were looking for an executive assistant. We put an ad out on Craig's List. Within 24 hours, we had 300 applications, including from 20 people who didn't want to do the work in the office, they wanted to do it virtually. Of those, six said that among the reasons we should hire them is not where they went to school and not who their references were, but it was because they had a very high eBay seller's rating. The message was: "I have sold my worthless crap to 500 strangers; and because they have trusted me and I have completed those transactions, you can trust me to handle your worthless crap."

Now, the essential truth of this is that what is currently happening at an individual level will soon happen at a corporate level. I want to purchase from that supplier or from that company, and I can get the same kind of crowd-sourced metric about a company's behavior in a whole series of fields.

There are actually five Web sites I'd like you to look at, in closing.

The first one is socialmarkets.org. If you look at socialmarkets.org, you can see a place where individuals are evaluating the return on investment of social activities. A not-for-profit or an NGO wants \$50,000 to do that. What's the actual return on investment of that \$50,000, using these crowd-sourced methods?

The second one is changingthepresent.org, which is a really good indicator of what comes next. [Changingthepresent.org](http://changingthepresent.org) is a Web site where you can begin to see the atomization of social behaviors—not "I want to write a check abstractly" or "I want to support an organization doing something in the world," but "I want to give a specific amount of money to a particular activity of a particular enterprise that is highly restricted and narrowly targeted." When you have broken up the activities of enterprises like that, you can begin to build markets out of them. That's what changingthepresent.org is.

The third one is opensri.org. [Opensri.org](http://opensri.org) is the crowd-sourced reporting of the behavior of business by people at all of the different kinds of stakeholders of the enterprise.

The fourth one I'd like you to look at is something called thepoint.com. "The

point" refers to the tipping point. One of the problems we have when we want to change the behavior of business is that—let's say that I want to get Kentucky Fried Chicken to change their animal welfare policy. Now, it might cost them \$50 million to change their animal welfare policy. So if I decide, "That's it, unless they change their animal welfare policy, I'm not going to eat there anymore," they will say, "Good-bye," because losing me as a customer is not worth the cost of implementing the policy.

But if I can get half a million other people in the aggregate to promise that if half a million people in the aggregate also promise to do something, then we've got enough people where the cost of implementing the policy is lower than the cost of losing all the customers. Then you get a tipping point.

So people are building a new market where they actually calculate the cost of changing the behavior of business, and then go out and get a million friends to agree that as soon as they've got all the people together collected, they will go en masse to the company.

They have begun to do this in areas like getting Pepsico to put Aqua Fina water into recyclable bottles. And my single favorite one ever, which is they have agreed in principle, a large group of people have agreed on the Web, to give the city of Chicago \$10 billion if they will use it to build a weather-protecting dome over the city. It's fantastic.

It's a little hard to talk about Web 2.0 without being able to show you what the Web sites are, so I really hope you will have a chance to go out and look at some of these.

I think I gave you four. Should I give you one more, and then I'll pass the microphone over?

It's [CSRwire](#), but that's really the sixth one, because you are going to hear from Emily in a second.

The last one I'll mention to you is something called [Eventful](#). This is not a CSR example, but it will be. Eventful is a mass calendar for the world. So if you live in a city, if you live in Saskatchewan, everybody who has an event, including this one, you could post this event, if this event were happening in Saskatchewan, to a kind of global open-source calendar for the whole city. So if you wanted to see every meeting of every think-tank, right down to the Kiwanis Club, every church group, everything that's going on in the city—everybody can add their own.

A group of customers said, "This is great. We like this. But we don't want to just see events that are going to happen. We want to see events that we would like to see happen." So they built a demand engine. They said, "We demand that this band come and play in our town." "We demand that [Osama bin Laden](#) come and play pinochle with us." It doesn't matter what the activity is.

What's interesting is that this activity creates centers of gravity in the network. So now what's happening is that rock-n-roll bands, for instance, use Eventful to plan their tours, not based on where they think there might be customers, but where customers have actually said, "We demand a change; we demand that you come here."

In the same way, we are going to see networked centers of gravity evolve that encourage and promote specific kinds of change among enterprises in the CSR space.

So all of these are good examples. They're just the tip of the tip of the iceberg.

But please go check all of those out. I will tell you that there is a tremendous amount of change about to happen to this space. We can talk about it more during Q&A.

DEVIN STEWART: Andrew, thank you so much. Fantastic.

Emily Polk, it's great to have you. She is from CSRwire, very relevant. Emily Polk has a very interesting background. She worked and lived for nearly ten years around the world as a human rights-focused writer and editor before being hired as senior editor at CSRwire just about a year ago to manage and grow their newly launched Web 2.0 initiative. Her writing and radio documentaries have appeared on *National Geographic Traveler*, *The Boston Globe*, NPR, *Whole Earth* magazine, and many others.

Emily, thank you very much for coming. Please take it away. Thanks.

Emily Polk: Thank you.

I wanted to go after Andrew because so much of my experience relates directly to everything he was just saying.

I want to talk a little bit about what it is like to integrate a Web 2.0 platform into a general newswire that has been devoted to corporate social responsibility news for the last ten years. Next year we'll be celebrating our ten-year anniversary.

We distribute corporate social responsibility news around 23 CSR categories, everything from human rights to the environment, business ethics, and corporate governance.

A couple of years ago, some very insightful people at CSRwire started to say, "With so much access to information on the Web, how can we maintain our authenticity as the premier CSR platform for CSR news, when people can look up homedepotsucks.com?"

We distribute news from over 1,000 members. They are public and privately held companies, NGOs, nonprofits, and foundations.

So we decided, in an effort to increase our authenticity, leverage our brand, and maintain our space, to create our Web 2.0 initiative. We call it VCR. It's short for Video Commentary and Research. It's a community-based interactive platform, where anybody can upload their own videos, podcasts, blogs, research.

We launched at the end of February. The reaction has been amazing. We currently have over 300 pieces of archived research that people have uploaded based around our CSR categories. We have over 80 CSR bloggers who are thought leaders in the CSR movement.

We have a public policy section, an activist section, a news brief section. The greatest thing is that in all these sections people can comment, they can hold corporations accountable, they can give their opinions. So it's this amazing grassroots movement towards transparency, towards accountability, that I think is leveraging CSRwire, keeping us in the space. We've been really thrilled.

While we were developing this, there's always a little bit of conflict of interest. We're a paid distribution service, so companies are paying us to distribute their CSR news. So we were sort of concerned about what would the reaction be of our members to this. We have a company distributing news about an initiative they are doing, and then on this other section of our site we have a whole bunch of people lambasting them for something else they have done.

But I think this really speaks to what Andrew was saying. The value of Web 2.0 will only leverage these brands. Having increased transparency only has leveraged our authenticity in the space.

I have a couple of interesting examples, but I can save them for if you have any questions after.

It has been really exciting and we're continuing to grow.

DEVIN STEWART: Thank you, Emily.

Later on we'd like to get more of your perspectives, and we will be filming. This is going to be generating a lot of different ideas, I hope.

I'd like to turn it over to James Farrar. He chose to reduce emissions and stay in Germany. James Farrar is Vice President of Global Corporate Citizenship at SAP. We are going to play some of his clip.

Just a bit about him. He is based in Walldorf, Germany. His campaigning experience includes work at [Amnesty International's](#) Business Engagement program and as COO at [Global Witness](#). He is one of these interesting people who have gone back and forth between civil society and the corporate world, so he has a very pluralistic view.

JAMES FARRAR [via videotape]: Good day, everyone, and welcome to Walldorf, Germany, to SAP head offices.

I'm sorry that I wasn't able to be with you in person in New York, but I kind of see this as an experiment in Web 2.0 and the responsible enterprise. At any rate, staying here in Germany helps me to keep my CO2 footprint under control, or minimized at least, and why not use Web 2.0 technologies to have this conversation? I look forward also to joining you on Skype.

For SAP we also use communities, and increasingly do so. We have a community called the SAP Community Network, which originally started with developers who networked with each other across the world and now also includes business process experts. That community now totals 1.4 million. So if you compare our employee base of 51,000 people, these are another 1.4 million colleagues who are SAP experts in their own right when it comes to software development, business process expertise, and consulting. It's an example of how Web 2.0 communities are working for innovation in a very real way for SAP.

The flip side of this, however, is that once you use social networks for business innovation, for product development, for marketing purposes, it's a two-way dialogue. Of course social activists can also use these tools, and we expect them to do so. This is a form of, if you like, disruptive innovation.

This is where we see innovative campaigns, like [Hugh MacLeod's Blue Monster campaign](#), where it was really a challenge to Microsoft. The tagline was "Change the world or go home." Hugh MacLeod is one of the gurus of Web 2.0. But this was an example of what Hugh calls how Web 2.0 pierces the corporate memory. It's how the membrane between the corporation and the outside world is disappearing because of Web 2.0.

So this opens up opportunities for activists to use the same technologies that we have developed for innovation for extending the enterprise also to extend their reach back into the enterprise and demand accountability and openness and responsiveness of the company.

A note about information technology trends. Years ago, in my opinion, SAP started in the wave of business process reengineering, mapping new business processes, enabling the outsourcing of non-core activities through an extended enterprise. This then blossomed into tools to manage that extended enterprise, like supply chain management, customer relationship management, and whatnot.

The next wave was enterprise performance management. How do you optimize the performance of that enterprise that has now become extended?

The next wave on top of that has become governance risk and compliance

management across the extended enterprise, primarily driven initially by [Sarbanes-Oxley](#).

Then, the next wave that we are dealing with now is the idea of services-oriented architecture. It's the idea of a consistent open platform where we're moving more of our infrastructure to the Web and creating software as a service proposition rather than software licensing and install it locally.

But suffice it to say that this idea of open architecture really enables the corporation to quickly move its IT site. In the past, we saw companies with legacy systems, different ones in HR, different ones in operations, different ones in finance. The idea of putting it in one place and having an open platform that's service-oriented allows much more flexibility and responsiveness for the corporation.

This too has a flip side. It is giving the corporation, in my view, a great deal more capability to be open and responsive to changes in the global economy. If we think again about globalization, what is demanded of the corporation, now that the role of the nation-state is relatively weakened, is a great deal more accountability, a great deal more responsiveness, a great deal more responsibility. Now the corporation has more sensitive antennae to what the society needs.

So we see two things coming together then, to bring this to a close. We see a corporation that has used technology to extend its reach, it has used architecture to become more open and responsive. On the other side, we see consumer technologies like Web 2.0 being used by the corporation to build social networks for innovation, but also being used by activists to bring to scale their activist agenda and demand accountability and responsibility from the corporation. In the future I see both of those coming together.

What do those applications look like? It looks like more dynamic corporate social responsibility and sustainability reporting. It means more dynamic formation of standards of assurance, of reporting, of accountability. It means more dynamic stakeholder relations. Why make the mistakes of financial reporting and just talk to your financial stakeholders once a year through an annual financial report? How can we dynamically and more immediately respond to different stakeholders' concerns and offer more immediate assurance?

And finally, also when it comes to governance risk and compliance, because I do believe sustainability lies at the heart of governance risk and compliance, if you take an idea like business and human rights, if you take a legalistic approach, it's a compliance view, but only if the nation-state is strong enough to deliver on that and only if the regulatory authorities have got the capacity to prevail with the rule of law.

On the other hand, maybe we see it as risk management. Maybe we see it as managing these issues that we have greater responsiveness and we've got greater sensitivity to, as an issue of risk management. In fact, we also may view it as an issue of corporate governance as well.

My position is this: Information technology has driven globalization. Information technology has enabled, I believe, the rise of the activist movement on a global basis. I think the interesting thing going forward is how the technology that businesses use, the technology that consumers and citizens use, will come together, and how both civil society and responsible enterprises can work together.

DEVIN STEWART: I'm glad James could join us, at least remotely, through the YouTube. We will put this on our YouTube channel, I hope. That was a portion of the clip that we put together. Again, we hope to put all the resources that we gather today, including interviews with you and your comments, in a cohesive resource, also connecting with some of the previous workshops we've done on a similar topic, including [one we did on cyberethics](#) with [Rita King](#), our

Senior Fellow, who is sitting at the head table here, a second-life expert. Great to have you here, Rita.

I am going to go to Gerhard Pohl. Dr. Pohl is Director of Operations at the [Development Gateway Foundation](#). For the past 25 years Dr. Pohl has held a variety of staff and managerial advisory positions at the World Bank. His foundation is an initiative of the World Bank. His positions have included country economist for China and Korea and advisor to the Senior Vice President of Operations and Manager for Finance and Private Sector Development for Europe, Central Asia, the Middle East, and North Africa.

Dr. Pohl, please take it away. Thank you very much.

GERHARD POHL: Thank you.

To summarize my bio in one sentence, I have been for one quarter of a century a doctor in socialist economies, turning them into market economies. Quite interesting.

When I finished with this in the late 1990s, I felt the work was done. We had moved globally into a much more dynamic economy. Developing countries were growing slower than industrial economies 10, 15 years ago, and today, hopefully, the opposite is true. Even Africa is growing at 6 percent per year for the last few years. So big changes.

These are taking place today mostly through information and communications technologies. Why? Knowledge is at the core of development. So our little foundation is there to help developing countries in applying Web technologies to core issues of development, and these are today often transparency and governance. These are the two key issues where many developing countries performed in the last 20 years very poorly. Strengthening transparency and governance is very important.

So in terms of Web technologies, the most obvious Web 2.0 technologies that we have is we operate some 30 communities or practices for specialists in various areas with all the paraphernalia of a community of practice, Web 2.0 paraphernalia.

But there are many other things that we do that are quite important that I would also include in this category of Web 2.0 technologies.

We operate an information system, the most frequented information system in the world, for government tenders. We have now about \$700 billion in government tenders per year on our system. We have 1.5 million visitors per month now on this system, with procurement opportunities, government business communities, from over 160 countries.

Now, how do we do this? We do this in one part as a software service, as James Farrar has just mentioned. So instead of having your little software on your computer, you use it over the Web somewhere else. We offer governments a kind of readymade, out-of-the-box tool that they don't even have to think about. They have only to learn how to use it.

At the same time, we have noted that lots of countries wanted to have their own little thing. They need to have their own software on a service and sit on top of it. They wouldn't give it to a software service that is globally hosted. So we integrate from all these systems the tendering information and produce it at the moment in 23 languages, from Georgian to Japanese. All the U.S. tenders, for example, that the federal government puts out are accessible for people in Georgian or in Arabic. We do that. The U.S. government doesn't do that.

By the way, all the governments have this kind of trapdoor approach to government procurement. We would like to have access to yours, but we try to keep you out from it. For example, in Mexico you need to be a registered

Mexican firm to be able to look into the system. If you don't have a Mexican tax code, forget it. That's how this works.

So breaking open this market is an interesting thing. We do this by going into the systems, aggregating all this. I can't get into the details of it, but the European system that operates in over 20 languages has a structured vocabulary and they can translate every tender from any language to the other language in a kind of Telex style. That works.

We then take this Web service, send it off to Google machine translation, which has become very good in the last 12 months—before it was horrible, but in the last 12 months it has become very good due to breakthroughs in the technology—and then we can actually show it in Arabic. So a Swedish tender is first transformed into a kind of Telex-style English tender, and then we submit the English to Google machine translation, and it becomes an Arabic one.

That's to tell you a little bit how this can work. So these are some examples.

Something else we do that is not so much Web 2.0 yet is an aid management platform that is software but is locally installed, which helps countries and donors to organize the entire aid assistance program and integrate it into the government budget and so on. That is particularly for African countries, where planning and execution capabilities were often not very good.

So this is the range of things we do.

Now, the way we do it is in particular Web 2.0. I have a labor force that is mostly located in developing countries. We have very few people at headquarters in Washington. More than 70 percent of my employees are in developing countries. Moreover, they are in many developing countries. So very often we have only one person per country, or maybe two persons per country, because we are looking for very highly skilled people in IT at the 99th percentile of programmer performance, like Google.

We find these people, we put them through very tough tests that they have to do first before we hire them, and then they work in a virtual world. They only need high-speed Internet access at home. They work for us around the clock.

Similarly, we do all the hosting of our services around the clock. At this hour, somebody in Córdoba, Argentina may be monitoring our Web services. Later on it is going to be somebody in Bangladesh.

So that's how this operates.

What enables this is that there are today very sophisticated work platforms, kind of virtual workrooms for these software developers, that have all kinds of paraphernalia, too difficult to explain in a few minutes, that allow them to really integrate, not only among themselves as highly technical people, but also with Web designers, et cetera. So we can put up a concept of how this should look in minutes by just putting together a couple of icons quickly in such a chatroom, if you want, and so on and so forth.

All of what we do is based on open-source solutions. That is another aspect of this Web 2.0 phenomenon. It wouldn't have happened without all this open-source solution.

Emily mentioned her new platform. Well, it's based on an open-source solution called [Drupal](#), which was kind of the leading purely community-oriented Web content management system at the time. They could never have done it without it, because, hey, this thing is an investment that will be worth \$5 or \$10 million. What did you spend on it? Very little. Because you can take all of that and you have a completely new form of economic activity.

Before we had all these corporate hierarchies and corporate responsibilities, all about these large hierarchies, large multinational corporations, that are

becoming much more open. Here we have, due to this development of this networked information technology, we have suddenly little organizations like us that can be very competitive because I use people in Armenia, and I'm using people in Armenia because they cost me only half as much as the people in Ukraine. Before I used many more people in Ukraine, but we are moving on to Armenia.

By the way, I can't find anybody good in India. In India everybody works already for a large organization to do that.

So that's how we approach Web 2.0 technologies. I could go a lot into the corporate responsibility side—no time for it. But in the government sector you have the same problems of transparency and governance. It is not only the corporate responsibility. It is very much a public-sector issue, and they are very much intertwined, and the approaches are very similar in this regard.

Thank you.

DEVIN STEWART: Thank you very much, Dr. Pohl.

I'm going to quickly acknowledge a couple of people in the audience:

[Joanne Bauer](#), one of the founding speakers here, who is the representative of [Business & Human Rights Resource Center](#), a perfect example of what we are talking about today. She could easily be on this panel. Maybe she will humor us later on.

Also [Nikhil Chandavarkar](#) is over here, another great speaker. He was on our panel on what we called "[The Green Economy](#)," the idea that maybe climate change and economic growth can be compatible. He continues to support our program. Thank you very much, Nikhil.

I am going to turn it over to Steve Rochlin, who was also one of the first speakers, but back then we didn't even have the cameras, so it was just podcast. Podcasts are our most popular product, besides our written content. The video is taking off. But now we get to have you on film, Steve. So you could just say the same presentation you said two years ago, or you could talk about the SAP engagement that you are helping to head up.

Steve Rochlin is head of AccountAbility North America. He spent the previous 11 years as Director of Research and Development for the [Center for Corporate Citizenship at Boston College](#), where he led the effort to build one of the premier applied R&D centers on strategy, management, measurement, and the practice of corporate responsibility.

Steve, it's great to have you back. Please take it away. Thank you.

STEVE ROCHLIN: Devin, thank you.

I'm going to start by apologizing. I am pleading for your sympathy. I have been in the last five days on two red-eyes. I don't know what happens to you, but what happens to me is the synaptic connection between what I am thinking in my head and what comes out of my mouth completely breaks down. So I have no idea what I am going to say. If I say something offensive, I apologize up front.

Let me give you some background on what we are up to and why we are involved in this type of initiative to begin with.

AccountAbility is—hopefully, I can say this; I have been with them for two years—I think a very, very interesting, innovative think-tank that has done some revolutionary work over the last dozen years around standards of corporate responsibility, strategy and redefining business strategy and market design and development around sustainability, and also beginning to understand a world that we seem to be moving to, whether we want to move

this way or not—I think it's very interesting and compelling—to this sort of collaboratively governed type of world across a variety of types of spaces.

If you think about the major challenges in the environmental realm alone—but then if you go to poverty, if you go to human rights, if you go to global health—how are we going to be able to deal with these issues unless multiple sectors and participants and broader networks of citizens and communities link up, not just to engage them in terms of person-power efforts, but actually having some kind of accountability for governing the type of systems and solutions that are developed?

This is the exact type of conversation coming out of very elite forums, like the [Clinton Global Initiative](#) the last couple of years and the [World Economic Forum](#), which says that this type of collaboratively governed arrangement is the last remedy available to us for the problems that we face.

So if we look at this in this context, we at AccountAbility are very interested in what Web 2.0 can do with this. You heard why SAP is very interested in it. They have asked us to lead up this initiative, for which we brought in partners in [Business for Social Responsibility](#) and the [International Business Leadership Forum](#).

I'll give you another Web site to look at: [redmonk.com](#) and its companion site [greenmonk.net](#). Redmonk is, as far as I know, the first Web 2.0-enabled industry analyst that uses the dialogue of communities to figure out how to judge and rate and assess different industry groups. I think that's fascinating. They are part of the initiative.

And then, we are thrilled to be engaging in helping to sponsor this event with our friends Devin and Carnegie.

So that's some of the background.

This is the context. Let's remind ourselves what it is that we're up to when we are talking about corporate responsibility. If we're talking about corporate responsibility, I think we are really talking about, very broadly and very simply, three things.

The first thing is that corporate responsibility asks enterprises now to become accountable and to do something about the bad stuff that it does, either intentionally or unintentionally, to the environment, to communities, and to other aspects outside of their corporate walls.

Now, who judges bad stuff? Who decides that? I don't know. There has been a tremendous amount of work on this. There has been a tremendous amount of effort to create indicators longer than this room. But really, what it comes down to is increasingly extended the negotiations between businesses and what we have all, sort of pretentiously, labeled stakeholders, although people still don't exactly, inside the corporate walls, understand what a stakeholder is and aren't necessarily comfortable with that term.

So what we're seeing is that there is an extended negotiation going on. But this negotiation is really, really difficult and really complicated.

First of all, in enormously pedestrian terms, we do a lot of work with companies trying to bring together stakeholder groups to dialogue with them. What does it take to do that?

Well, one of the things that it takes is gathering up a lot of very, very busy people, flying them long distances, getting them into a room, putting them up at hotels, and so on. You are starting to get leaders of NGOs who are suffering from stakeholder engagement fatigue—"I'm not going to go to one of these things unless—" and the conditions are rising. That's actually kind of interesting.

But Web 2.0 gives us a resource in very practical terms to change that dynamic, to accelerate this, to speed it up to the speed of real time, maybe even faster than the speed of real time.

Another very interesting thing that it does in this point is that it allows companies and their stakeholders to engage in much more richer, much deeper, and at times much more dangerous types of dialogue. So companies right now, if you're going to be—it's table stakes. If you are going to be a legitimate player in the corporate responsibility game, you have to have some kind of annualized sustainability or corporate responsibility report. You just have to. If you are a large company working globally, you have to have it.

Now, there might be some other companies that say, "We don't have one and we're proud of it." Well, that's fine, but the tidal wave of pressure is going to push you towards that more and more and more. I'm not saying whether it's good or bad. I'm just saying that's where the trend is going.

Now, it's very interesting when you look. I'm not going to name names, but there's one car maker. You read their report and you look for the major environmental challenges that they are dealing with—I'm just focusing on environment—and they talk about all of the things that they are doing in dealing with the environment, how they're making their plants more efficient, et cetera. There's one omission. Can you guess what that omission is?

VOICE: Emissions.

STEVE ROCHLIN: Yes, okay. So they're not talking about greenhouse emissions from their product.

Now, that loses them tremendous amounts of credibility in terms of that report, and it drives the type of "corporate name sucks.com" Web sites that Andrew was referring to earlier.

What would it mean if companies begin to, as James was mentioning in his video, start to engage in dialogues around the reporting and disclosure in issues in an active Web 2.0 type of dialogue? What would it mean if they were able to do that? How dangerous would that be for the company? What would it mean in terms of the materiality of what they are starting to examine? What would they learn from this process? What would the engagement and dialogue begin to teach them in terms of what they should be doing, not only with their brand communications, but with their broader product design and innovation and R&D strategies and investments going forward?

What would they learn, in terms of their finance teams, in terms of beginning to price in things that they had never priced in before but they are going to have to? Any company that is not starting to think about pricing in the cost of carbon in their future financial projections is way behind the curve. And I would contend that the same thing is going to start happening with social dynamics that are very, very difficult, if not impossible, to cost out. They are going to have to do it for human rights in terms of your human rights risk, and they are going to have start doing it for the impact of poverty, and they are going to have to start doing it for the impact of health. How are you going to do this?

That's the second aspect of what we are asking companies to do, and that is that we are asking companies to start to be proactive and start to contribute something tangibly for the betterment of the environment and for society and for communities. That is very exciting too.

But how do companies do that right now? Well, right now they are doing it by launching some very, very interesting initiatives. Lots of them are philanthropically fueled, but not all of them. Some of them are kind of hybrid. Some of them seem like they're business, but they are on these little islands and they don't pervade and break in. They don't pierce the corporate membrane, as James was quoting earlier. I love that quote.

So what can Web 2.0 do for us here? What it can start to do is give companies more of the tools, more of the knowledge, to solve some of the very, very tricky problems that really they are not going to be able to solve by themselves.

What we are starting to see is the creation of what *The Atlantic Monthly* called "the creation of public goods markets." You can see these. Particularly the [Gates Foundation](#) is doing some fascinating work in this area around health. They are actually starting to use the market, to use a variety of capitals—foundation money, public money, and some corporate money—to create markets where none existed before, so that you can actually support the creation of new vaccine development where a pharmaceutical wouldn't do it before.

Now, what people are starting to think about doing is starting to use the wisdom of the crowd to begin to gauge in this process, not only about innovating new drugs, but thinking about creative ways to distribute those drugs, and thinking about creative ways to create workforces around that, and to think about creative ways to connect micro-financing and micro-enterprise loans to this. The power of the technology allows that to happen, again, much faster than it otherwise would, and in fact gives tremendous ideas.

Now, if we are going to do this and if we are going to open up companies more to this type of dialogue, there's something that companies tell me that they want. They want two things. One thing I'm not going to help them with and the other thing I am. I'll end on these two points.

The thing I'm not going to help them with is when they ask me—and in this process they have been asking me this question a lot—"How can my company use Web 2.0 to better get my message across?" There's lots of ways. I could be very honest and I could be very judicious in how I interpret this. I don't feel like being very judicious in how I interpret this because really what they are talking about is very, very traditional marketing and public relations strategies.

I have a friend, who will also go nameless, who has this wonderful company. One of the things that they do is if there's a movie coming out—"Beverly Hills Chihuahua". What his team will do for whatever production company is putting it out is they will pretend to be 11- and 12-year-old girls and boys on chat rooms saying, "Wow, this movie is so cool." Sort of a traditional strategy applied to the new technology.

I am somewhat cynical about this, as you can tell, and I'm not really interested in companies engaging certainly my advice in terms of how to enhance this.

What I am much more interested in is how companies can find a way to engage in some of the dangerous dialogue that sparks tremendous innovation, sparks honest and candid conversation.

But to do that the second thing that they are asking for is: "We have to find a way to make this safe. Right now Web 2.0 as the space for us to do this is not safe enough for us, because what we say goes out there and we're too vulnerable."

Now, the Web 2.0 partisans and activists and the brilliant minds who have driven the development of this say, "Tough. It's a naked world that we're entering in. You've got to be naked, and it's up to you to make sure that you look really buff when you're naked." That's the powerful metaphor that they use.

I'm not convinced. I think that in every single form this is a revolutionary tool. What we have now is a revolutionary communications tool that revolutionizes the way that we deal with defining and then governing terms of accountability. If we are going to do that, then we have to create some kind of rules.

Andrew mentioned eBay as a classic example of a self-generated, self-regulating system. I'm not talking about creating legal and bureaucratic compliance for this. But I think that what we need to do is we need to start creating at least some rules of etiquette that begin to expand into some deeper types of component, so that if you are going to have an honest dialogue—where I do open the kimono or take off my clothes or any of these things that you don't want to imagine right now—if I'm going to do that, I need to know that what I am communicating is going to be treated with a certain sensitivity. Otherwise the real power of this tool for accountability, for driving corporate responsibility, won't be delivered.

I'll end on that thought. Thanks.

Questions and Answers

DEVIN STEWART: That was excellent, Steve. Thank you so much. A lot to talk about there.

Are there any intra-panel comments, comments on other panelists, before we turn it over to the audience? We have so much expertise in this audience, actually I'm really eager to get this conversation going.

One more quick survey. Who uses Web 2.0 in their business? Let's see here.

[Show of hands]

About half. Interesting. That probably will double within a year or two.

I would really like to ask Rita King to talk about her experience. She has done half of her career as an investigative journalist looking at corporate issues, and the other half is she has become a second-life expert, looking at how we can better understand communities around the world, particularly in the Middle East, through using virtual worlds broadly speaking, not just second life. She is kind of an evangelist—maybe not—and she is doing a lot of exciting work.

Rita, please. I'd love to hear your thoughts. Thank you.

RITA KING: Thank you. I thought I was just coming for lunch today, so bear with me. I took some notes.

I thought it was interesting, what Steve just said, about looking buff when you're naked. That's why we use avatars. I think it just makes it easier for everyone.

But it is partly a matter of learning to deal with the loss of total hierarchical control. That's a shift that corporations have to come to terms with. There is a quote that I go back to frequently, a [Rumi](#) quote, which is, "Out beyond good and evil there is a field. I'll meet you there."

Working for eight years investigating corporate malfeasance—I spent six months in the Gulf Coast investigating post-Katrina corporate contracting, and I felt like I was spending my career complaining about what was going wrong instead of doing something to change it. I think Web 2.0 gives the people of the world an opportunity to engage in a broader ethical debate about what makes us human.

It's important to remember that when corporations do something that is "wrong"—we just had a conversation here at our table in fact before lunch about dolphin-safe tuna for example, and how in Japan they don't—love of dolphins is a uniquely Western characteristic, for example. And so is preserving a dolphin something that everyone has to change their fishing practices to do? These are issues that are incredibly significant.

Really, the benefit of Web 2.0 is something everyone wants to assess. Part of what we do at [Dancing Ink Productions](#), which is my company, is work with Fortune 500 companies to contextualize what it means to embrace greater

authenticity. It's a very complicated and nuanced subject. It's not something that you can just say that you're going to do, and then suddenly—

Again, we were talking before lunch about contract procurement. Well, if you want to engage in ethical contract procurement, what does that mean?

So Web 2.0 offers an opportunity for a global debate on what is important and why. Right now there are 300 million people in virtual worlds, which are immersive environments where people can create avatars, which are representations of yourself. I won't bog you down with the details. If anyone wants more information, they can feel free to get in touch with me later.

But it's critical to remember that this is a neurological shift in the way people are interacting with one another, especially culturally. The implications of this are going to be vast as these 300 million people turn into 500 million people and 700 million people, and as these children primarily who are being immersed in product development grow into the global workforce. And so I strongly advocate the ethics of looking into the content development and how these spaces are being used.

I thought the panelists did a really excellent job, hitting on some of the most important points. Andrew, thank you so much for those Web sites that you gave us. I took a ton of notes. I'm going to blog about it later. My blog is eurekadejavu.blogspot.com. I'll spare you the monologue now and you can just catch up with it on the blog later. But if anyone has any questions, as ever, they should feel free to get in touch. You can get in touch with me through Devin as well.

I thought that the panel did a great job and I appreciate you having the panel here today. Thanks for the mike.

DEVIN STEWART: Thank you.

We have a lot of questions, a lot of content here. I'm going to go to a question and then another comment I'd like to draw from the audience. I'll keep it a secret who it is.

QUESTION: Thank you. A very interesting session.

I really was fascinated by your comments, Andrew. I work for a large corporate, Deutsche Bank, in their CSR group, but my work is centered around creating a social business. I make about \$15 million for the Bank, about half a billion dollars in assets that are invested around with 100 intermediaries in about 40 countries. We do it for corporate social responsibility reasons and we do it in a businesslike manner.

Now, what you said is that most of the companies are doing CSR for branding, branding that is established by behavior rather than communications. What I am seeing in the discussion here is what you pointed out, is that most of what Web 2.0 is going to be used for is propaganda, communication, things of that nature.

When you have structures in which the good work of people like Emily is contingent on funding from people that have control—think about if *The New York Times* was controlled by [Sarah Palin](#) and they had to report on Sarah Palin. It wouldn't be the most independent reporting.

The point is that there are inherent conflicts of interest here. As the people that are leading these efforts—the thing that you talked about as well—how do you really get a discussion started on the real behavioral changes and how do you sort of poke at the points of the Web sites that you referred to and have a genuine, sincere conversation around the inherent conflicts that we live in today? How do we do that?

That I think to me would be more important than the Web 2.0, or at least a

form for doing that, rather than more fodder to create more artificial good pictures, create lots of corporate social responsibility that hardly anybody except a group of experts read.

ANDREW ZOLLI: Those are great comments. Just a couple of quick responses to them, and I'm sure others on the panel and others here have thoughts as well.

First of all, I think that ever since [Milton Friedman](#) we seem to have had a kind of schism in contemporary—I'll talk about American corporate culture—between a very P&L-driven focused part of the enterprise, where the people who are in that part of the enterprise are measured and rewarded in metrics that are clearly defined around return to shareholders. And then, because there was this idea that we need to purchase goodwill from the market, especially because for talent acquisition purposes and for license to operate, we need to do this other set of activities over here, which are almost the mirror image, the Bizarro world. We're going to give everything away. It's like the anti-kryptonite—everything works the backwards of Superman's world—and these two worlds, ne'er the twain shall meet.

But what has happened is that a set of demographic, technological, and macroeconomic forces are dissolving the distinction internally between the P&L part of the enterprise and the fill-in-the-name-of-the-company-for-good part of the enterprise, the pro-social CSR.

What's interesting about this, in particular, is that from a cultural point of view, if you talk to people under the age of 35 in the United States, they are radically pro market. They are much more pro market than their elders. Their elders were Marxists, right? The youngsters are dot-com entrepreneurs. So they are much more responsive to using markets as an efficient tool for distribution.

So one of the big questions—and I think it hangs over the CSR discussion in general—is whether or not it is a bridge to a different form of capitalism. That is to say, it is the metaphorical chafing point between a schism that actually will collapse over time inside of enterprises.

Now, the question is: What does Web 2.0 have to do with this? Well, Web 2.0 accelerates in two dimensions of this conversation.

The first one is there is a problem with CSR, with sustainability, with social responsibility in general, which is that it is impossible to come up with defined measurements. As we just heard, you could fill this room and many others with huge metrics. Who decides what metrics are the ones that matter?

The reason this is a problem is because all the metrics are different for every kind of enterprise. Every sector of every part of the economy is different. Now, this is exactly the same problem we had in coming up with the taxonomy for Web sites and exactly the same problem we had in coming up with the taxonomy for content. We spent gazillions of dollars trying to figure out how to come up with ordered structure. The good folks at Yahoo hired editors to try and absorb the Web and put it into some sort of hierarchical database.

But what we saw was the Wiki model emerged. The Wiki model was we'll break that task into 1,000 pieces and we'll let the taxonomy constantly reemerge and bubble and be reorganized and restructured essentially on an ad hoc basis as it is needed.

Now, the problem with Wikipedia is that there is much more about [Klingon](#) than there is about corporate social responsibility in Wikipedia. I don't know if any of you have noticed. I can actually talk to you in Klingon because I look at Wikipedia. But I can't tell you the metrics of a whole bunch of other enterprises.

But that idea, the methods and practices, that's the first part where Web 2.0 is

going to be helpful, because we're talking about emergent metrics. Whenever you want emerging metrics, open-source models work really well.

The second one—and I'll just mention it to close this—is about emergent markets, because to deliver in the next chapter of capitalism ultra-low-cost products and services aimed at the bottom of the pyramid, which will drive growth and development and entrepreneurship, through micro-finance institutes and all these other things—all of those kinds of things we can build real enterprises to do those things.

Part of the decision about when is a good time to build an enterprise to do something, as opposed to when should we keep it kind of under the umbrella of our corporate social responsibility, is something that can be a crowd-sourced decision, because if you get a large group of people, this group of people can say, "This ought to be a company," and this group of people can say, "And I'll be customers," and these people can say, "And I'll be distributors." You can see emergent supply and distribution chains. You can see people turning problems into supply and distribution chains in the commercial context for the distribution of new products and services with social benefit. We have seen examples of that I can talk about later.

But those two ideas, of emergent metrics and emergent markets, are things that I think Web 2.0 can give us at scale so that we can continue to see the successes that you enjoy, which is building a business that delivers return in both demands.

QUESTION: I was part of an event yesterday on risk compliance and management at *Forbes Magazine*. One of the points made was, looking back at some of the recent crises, going back to [Enron](#) and the recent crisis with the investment banks, there was a failure certainly of regulation. My question was what might be done in the future? Is it more legislation, more regulation? And of course opinions were divided.

What I sensed coming out of the panel today is that Web 2.0 can have some kind of grassroots pressure that could prevent the kinds of behavior that led to the crises.

Perhaps some of the panelists might comment on what might be done, particularly in the financial area, to build that kind of pressure.

One of the problems I see is what Andrew just said. Perhaps there is a need for some kind of education online for standards so that you have the kind of pressure that can really make a difference, that would have teeth, and it wouldn't be a frivolous interest.

GERHARD POHL: I'll take that. I think we should not go overboard with Web 2.0 in this regard. We need standards. The U.S. financial market is one of the best-regulated financial markets. Despite that, we have a humongous calamity.

It has to do with the fact that there were large exceptions from these rules. All the investment banks could leverage their equity capital 40:1, and that is casino gambling.

Similarly, to take an environmental example, U.S. car companies did not spend time to develop a hybrid vehicle. Instead they pressured the Congress to have this wonderful thing to which corporate average vehicle efficiency did not apply, the truck. Wonderful, because the rednecks love the truck, and as long as gas prices were so low in the wake of the [Asian financial crisis](#)—remember that one, that brought gasoline prices so low—it was a wonderful thing. And the United States is today stuck with a capital stock that right now costs you \$700 billion more per year—another \$700 billion—than it should, because the regulations were so easily circumvented.

So I don't think that a market-based approach to regulation can easily work.

Just to give you another example of that, in the United States, since I'm involved in government procurement, all government procurement is online, on the Web. But you simply can't find it. Why? There are 4,000 government procurement Web sites in the United States. Every one is completely different. Nobody has any standards.

In the SEC case, your financial disclosures are going to very detailed standards, and these were not enough to avoid the crisis.

In government procurement in the United States, there is very little transparency. Why? Everything is on the Web. You can't find it. You have to look at suppliers, to potentially look at 4,000 Web sites every day, to figure out is that something for me.

So I don't think it can be either/or. We need the right combination of regulated standards that apply to Chinese manufacturers as well and free market response to improve that, and they will typically be at the innovative end of things. Let's do something where the present rules and regulations do not lead to an optimal situation and then let the market fill these niches. But eventually public-sector policy is going to be very important.

ANDREW ZOLLI: Just one small, quick answer to the question you asked. I think there is an important systems dynamic that is an important lens with which to look at when Web 2.0 collaborative processes work really well and when they don't.

They work very well in information economies that are below a certain threshold of complexity. The problem with the financial markets is you have two issues that make it difficult in the financial market.

You can look at the financial market and say it's an open-source information economy. People are making bets—you can think of those as contributions—and they are based on information. There's no dearth of information about economies in general, but about markets in particular.

The challenge, though, is really two things. First of all, systems, especially certain information systems like financial systems, achieve a level of complexity where they are no longer human-readable. Many of the problems, the great unwinding that is currently happening, and a big part of the jam-up, is because nobody actually understands who owes what to whom, even though we have complete information transparency. You can in fact reverse-engineer to a point where it simply becomes static. It's sort of like looking into the static of a TV screen. And so Web 2.0 platforms tend not to do as well in information markets that have that kind of complexity.

Now, we may also not want them for other reasons, like the fact that they eventually collapse and people are in a circular firing squad. But that's a different reason.

EMILY POLK: I think that goes to the question of who exactly is using these platforms, what demographic, what age, in what country. I mean who is using them? So I think that's something worth asking and considering.

STEVE ROCHLIN: You've certainly inspired some Web 2.0 bashing with this question, so I'll join the party.

There's another thing that we have to be very careful about, and that is that I've started to become fascinated by how particularly public-sector institutions are using this technology to, in a sense, outsource things that are really a pain in the neck and very costly, both in terms of budgetary resource and also skills and competency, human resources, to information systems. You have seen this in the environmental arena.

I could set up a whole system for my government to find out toxic chemicals

that are in communities around the United States. Or I could put it on a Web site and let communities mobilize and do something about it. If a community chooses to mobilize and do something about it, then I will respond as a government. If the community chooses not to, then maybe I won't. You get other types of fund dynamics, because wealthier communities will probably respond more easily than poorer communities.

So I agree with Gerhard, and also I think Andrew was making a similar statement, in that there are some areas and interests where what the question then becomes for Web 2.0 is: How much disclosure is too much disclosure? There I lean more towards yes, lots and lots of disclosure, but let's understand what, as Andrew was saying, what Web 2.0 is really good for, and let's also not use this to transfer away some of the obligations and roles and responsibilities that institutions need to keep.

QUESTION: I'm a brand strategist. I was interested in some of the comments where brand seems to be equated with propaganda. Propaganda can be used for good too, so I just want to put that out there, that it's not all bad, the stuff that comes out of a corporation's brand department. Given the context, you understand that.

I was interested in the other side. You had mentioned, Steve, the idea of corporations gaming the system. We all read the thing in *The New Yorker* about Wal-Mart's favorite PR firm posing as actual employees on their internal Web site. What about the other way, where you see how fast with the viral mechanism a YouTube segment can get watched by millions, or other examples? What about consumers gaming a corporate Web 2.0 application and forcing through a vaccine, for example, for investment?

STEVE ROCHLIN: Sure.

First of all, I'll just make a point. I have nothing against brand strategists. Some of my best friends are marketing and communication professionals.

I think there are two issues. One is that it's just a fundamental, I think, misapplication of strategic thinking if any communication system in any institution is going to try and engage with Web 2.0 systems in a one-way process. I think James was making that point very strongly, that really it must be a two-way process.

Unfortunately, the less-sophisticated companies, some famous brands that are being very unsophisticated about this, are looking at this as a one-way transfer of information. That I think is a huge mistake. So that's the first point that I would make.

The second point is that there is huge gaming in this system, huge. When you go to these so-and-so-sucks.com or .org Web sites, is the information there valid, credible, and legitimate? I don't know. I would be willing to guess that a hefty percentage is not.

So what do we do? That's very frustrating. What kind of legal action? Do we start having widespread libel laws that we start to apply in this situation? I wouldn't want to see that happen.

So what I do think is that one of the innovations that has to happen in this space is that we actually—and this is a really, really, really dirty word for people who love and advocate the Web 2.0 philosophy—but there has got to be some kind of way to have equally innovative forms of governing the whole system.

And we see this happening. There is a blogging constitution that some really big names, whom my jet lag prevents me from remembering, have put out. It says if you are going to blog, you have to voluntarily agree and sign up, put your email signature on, this constitution. I don't think that it is getting very far, but it's interesting that it is out there.

And people love the eBay rating system and are trying to apply it in all kinds of different ways so that the community and the crowd can begin to establish the credibility of comments and the crowd can begin to police itself in this way. I think that one of the things we have to invest in is tremendous innovation on that.

That's the end of my answer to your direct question, but there is one point that I need to make that is tangentially related, and that is that we need to expand the ability of those who participate in this. There are huge, voluminous numbers of people who don't have access to this. If we're talking about a system that allows relatively wealthier people to engage in this type of constructive dialogue around sustainability and corporate responsibility, then we are missing the point. So investment, particularly public investment, in expanding access to these I think is going to become very, very important as well.

ANDREW ZOLLI: Could I just add something? As a former chief marketing officer at a brand strategy company, I love you.

Specifically, the thing I would say is that while it is generally true that the answer to bad speech is more speech, the best answer to bad speech is good behavior.

Let me give you one closing illustrative example. I run this organization Pop!Tech. We act as a kind of CSR laboratory for organizations looking to marketize some of their R&D in areas that they're not sure is going to be a CSR activity or a new market. eBay is actually a good example. Last year with eBay we partnered to build a best-in-class carbon credits trading marketplace for individual consumers on the eBay platform, the first time they had ever sold carbon credits directly to the consumer. You can actually see if you go to ebay.com/poptech. The absolutely best-in-class transparency got written up all over the place. Wonderful feedback on that activity.

In particular, it inspires eBay because there's a group of people within eBay who are thinking about a future in which every transaction that happens on eBay can be optionally carbon offset. So you take this activity and say, "Oh, this is wonderful pro-social behavior." If it sits in the realm of pro-social behavior, then you can sit there and throw stones at it. As soon as it becomes an optional behavior as part of the brand, suddenly that criticism disappears because it's a behavior, it's not a statement.

Statements are said by people who might be liars. Behaviors, on the other hand, are as opposed to people who are not doing anything. So you see the dynamic shifting increasingly in that direction.

DEVIN STEWART: Thanks so much.

We have run out of time. I'm very sorry. I know there are many more questions, but we have to have time for you to mingle here.

Thank you to all you mavericks for coming, especially during the bailout. It passed. I just learned it passed, so we have been saved for now.

October 17 we are having a similar thing like this, except private, on ethical conduct for the media. Contact me if you're interested. It is going to be a private meeting, but we're thinking about doing something more long-lasting, weaving together many of the things that we have been doing here.

Thank you very much for coming. Thanks to SAP. Thanks to AccountAbility.

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- [Can Web 2.0 Revolutionize Corporate Responsibility?](#) (Video)
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