

Islamic and Cleantech markets: A CSR 2.0 tipping point?

By Wayne Visser

I was fascinated to read a recent Time Magazine article on the growth of Islamic markets, which are reportedly already worth \$1 trillion! The Halal food sector alone makes \$632 billion annually, accounting for about 16% of the entire global food industry, according to Halal Journal. The Islamic finance sector (which forbids the charging of interest) stands at \$500 billion and is expected to grow to \$4 trillion in five years, according to a 2008 report from Moody's Investors Service.

What is interesting about these and other Islamic markets (cosmetics, real estate, hotels and fashion) is that they have an ethical basis. According to Time, "citing the kosher and organic industries as successful examples of doing well by doing good, some entrepreneurs even see halal products moving into the mainstream and appealing to consumers looking for high-quality, ethical products." Mah Hussain-Gambles, founder of Saaf Pure Skincare which markets halal makeup, calls it "the next purity thing".

The other market area that is booming is the so-called clean-tech or green-tech sector. According to Clean Edge, \$148 billion was invested in clean energy companies and projects in 2007, up 60% from 2006. Venture capital and private equity investment in clean energy companies was up 34% in 2007 to \$9.8 billion, while finance via public markets was up more than 123%. Annual revenue for four benchmark clean technologies — solar photovoltaics, wind power, biofuels, and fuel cells - increased nearly 40% from \$40 billion in 2005 to \$55 billion in 2006. These are forecast to become a \$226 billion market by 2016.

Add to this the vast sums being promised and poured into the so-called "green collar economy" as part of government financial stimulus packages around the world in 2009. Then add the emerging policies on climate change, such as the UK government's commitment to reduce carbon emissions of 80% by 2050, and we have something starting to feel like a brewing revolution. In fact, according to the The State of Responsible Competitiveness 2007 report by AccountAbility, responsible markets in climate change, gender, human rights and anti-corruption will be worth at least US\$750 billion by 2050.

Taken together, the green moon of Islamic markets and the green sun of cleantech may be just the tipping point we have been hoping for to turn CSR from a marginal, philanthropic activity into a connected, scaleable, responsive force of business for good. This is the real meaning of CSR 2.0 - the creation of a different way of doing business and an evolution of sustainability and responsibility to the level of markets, as opposed

to old-style CSR applied at the individual manager or company level. Who knows, perhaps in the future, when we explain to our children how we narrowly escaped plunging into an overshoot and collapse catastrophe in our global social and ecological systems, we will use a simple tipping point formula:

Green Moon + Green Sun = Transformational Change.

Source:

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