THE ROLE AND INVOLVEMENT ASSIGNED TO BUSINESSES IN THE POST 2015 PROCESS

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IASS & CUEIM collaboration

**IASS** Italian Association for Sustainability Science

**Mission**
- Contributing to the development of a **multi- and trans-disciplinary body of knowledge** for **Sustainability Science**


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**CUEIM** University Consortium for Industrial and Managerial Economics

**Mission**
- Building a **bridge** between **Universities, Institutions and Businesses**

Scientific platform to develop a multi- and trans-disciplinary body of knowledge for Sustainability Science

Interface between Policy makers, Academia, Businesses and Societal stakeholders to develop sustainable solutions

Major Working Groups:
- Education for Sustainable Development
- Academia-Industry collaboration for Sustainable Development

Study of models to foster collaboration and knowledge exchange between University, Industry and Government, further emphasizing the role of social intermediaries, like voluntary groups, associations, etc. to address Sustainable Development.
CUEIM Research & development activities for SD

CUEIM University Consortium of Industrial and Managerial Economics

- **Science-Policy interface** in R&D projects in collaboration with **Government** contributing to Sustainable Development through 3 key areas:
  - Energy & Environment
  - Social Policy
  - Economics & Territory

- Under the **Programmatic Agreement 2011 - 2013** with the **Ministry for the Environment, Land and Sea, DG Sustainable Development, Climate and Energy**, concerning "Research and development activities for defining the national strategies in the field of renewable energy", scientific collaboration to the study of **national and international policies to support the diffusion of renewable energy** in the broader theoretical framework of the **Green Economy** and **Sustainable Development**.

- Scientific collaboration with the **Italian National Commission for UNESCO** in projects which include the perspective of SD.

Evidence from the experience of the CUEIM show the key role of **University hybrid organizations** acting as **scientific interfaces between Government and Industry**.
The role and involvement assigned to businesses in the post 2015 process

Key questions (businesses perspective):

1. What is the relation between MDGs and SDGs from a business perspective?
2. How have businesses been involved in the SDG development?
3. How important are SDGs to give orientation for the business world?
4. What can businesses do to foster SDG implementation?
1. What is the relation between MDGs and SDGs from a business perspective?

Increased potential for businesses to play a relevant role in all forms of their core functions (as producers, employers, users of resources, innovators, etc.) in addition to traditional philanthropy or CSR schemes.

**MDGs**

- **MDG 1**: Eradicating extreme poverty and hunger
- **MDG 2**: Achieving universal primary education
- **MDG 3**: Promoting gender equality and empowering women
- **MDG 4**: Reducing child mortality
- **MDG 5**: Improving maternal health
- **MDG 6**: Combating HIV/AIDS, malaria and other diseases
- **MDG 7**: Ensuring environmental sustainability
- **MDG 8**: Building partnerships for development

**SDGs**

- **SDG 1**: No poverty
- **SDG 2**: Zero hunger
- **SDG 3**: Good health and well-being
- **SDG 4**: Quality education
- **SDG 5**: Gender equality
- **SDG 6**: Clean water and sanitation
- **SDG 7**: Affordable and clean energy
- **SDG 8**: Decent work and economic growth
- **SDG 9**: Industry, innovation, and infrastructure
- **SDG 10**: Reduced inequalities
- **SDG 11**: Sustainable cities and communities
- **SDG 12**: Responsible consumption and production
- **SDG 13**: Climate action
- **SDG 14**: Life below water
- **SDG 15**: Life on land
- **SDG 16**: Peaceful, just societies
- **SDG 17**: Partnerships for the goals

2. How have businesses been involved in the SDG development?

As expected, businesses participate to the process through associations which feed their views and expectations into the UN-led process (Lucci, 2012).

Participation of “Business and Industry” as a “Major Group”

Major Group Position Paper (March, 2014):

The Business and Industry’s vision and priorities for the Sustainable Development Goals

- “The contribution of business to sustainable development has always been seen as a complement to the role of governments.”
- “For the business community, effective governance and rule of law are critical prerequisites for enterprises, of any size, sector, or nationality, to operate effectively and contribute efficiently to society”.
- “Open markets and private enterprise are critical for sustainable development. No other human activity matches private enterprise in its ability to assemble people to create jobs and stimulate economic growth. But in order to harness the power of private enterprise to contribute to development, governments must establish good governance and a conducive operating environment.”
- Creating an environment conducive to enterprises of all sizes and in all sectors to develop, create jobs and pursue technological innovation and cooperation – coupled with sound governance and policies to enable inclusive growth and equitable distribution, while reducing barriers to international trade and foreign direct investment – is the best model for promoting sustainable development.”

Relevance of a functioning Industry-Policy interface.
3. How important are SDGs to give orientation for the business world?

Global Compact Report to the United Nations Secretary-General, 2013, p. 14
4. What can businesses do to foster SDG implementation?
The UN Global Compact’s view

The UN Global Compact recommends the following areas that can most effectively engage business towards the post-2015 development agenda:

- Global corporate sustainability movement, based on universal principles and accountability measures (Businesses ask for support to their global and local corporate sustainability initiatives)

- Accountable corporate commitments aligned with global development goals (SDGs give orientation to businesses; businesses ask for visibility and recognition for companies that make commitments to SDG targets)

- Global issue platforms (business-led issue platforms would better engage in global solutions-delivery)

- Industry sector initiatives (a sector-based view would help to focus specific problems/solutions)

- Implementation mechanisms and networks that facilitate partnerships and collective action (e.g. hubs, incubators, collaboration spaces, exchange platforms, etc.)

- Business-led sustainability networks at the country level (a business-led action at local level)

- Initiatives on private finance (through enablers such as Stock Exchanges, Market platforms, etc.)

[Source: Global Compact Report to the United Nations Secretary-General, 2013, p. 17-21].
4. What can businesses do to foster SDG implementation?

UN Global Compact Annual Implementation Survey

- In the 2012, companies were asked to identify which global priority issues they believe to be the most urgent, as well as which issues their company could have the greatest positive impact on in the future.

- 1,712 companies from over 100 countries responded to the survey.

[Source: Global Compact Report to the United Nations Secretary-General, 2013, p. 4].

Relevance of Industry-University collaboration.

Source: UN Global Compact Annual Implementation Survey 2012
4. What can businesses do to foster SDG implementation?

- Focus is on goals, targets, priorities, expectations, requests, etc.

- Less attention on the ways actors can contribute to outcomes

The role and involvement assigned to businesses in the post 2015 process
A ‘meta’ question ...

What role businesses play.... in What System?

• To play a role implies the definition of a system of reference.

• Is there a general system of reference for an integrated multi-actor SD framework?

(See Golinelli, 2010; Barile, 2011; Barile et al., 2012; http://en.wikipedia.org/wiki/Viable_systems_approach)
Several actors and roles in the SD Agenda

- Key role of all levels of government and legislative bodies in promoting SD and advancing the SD Agenda.
- Important role of local and sub-national levels authorities and communities in implementing SD.
- Meaningful involvement and active participation of regional, national and sub-national legislatures and judiciaries and all major groups and other stakeholders in processes that contribute to decision-making, planning and implementation of policies and programs for sustainable development at all levels.

Then, participation of civil society, vital role of women, engagement of private sector, business and industry, scientific communities, indigenous, young people, workers and trade unions, farmers, NGOs...

[Source: Elaboration from RIO+20 “The Future We Want”]

- Despite the huge efforts of sharing made by governments to engage any potentially interested entity, the process can still appear top-down oriented to potential participants.
Several actors and roles in the SD Agenda

A key role of Government

The qualification of the rules, which must be locally and globally sustainable, should derive from an ongoing process of sharing through which accepted behavioral rules are translated into laws.

- Participation, indeed, is a necessary but not sufficient condition for engagement.

- The effectiveness of SD agenda is based on a wide recognition of sustainability as a shared categorical value.

- If this process of sharing does not occur implementation programs can fail.

[Source: Barile, 2009]
“An integrated framework for realizing the “Future We Want for All” in the post-2015 UN Development Agenda”

- Enablers:
  - Fair and stable global trading system
  - Adequate financing for development and stable financial system
  - Affordable access to technology and knowledge
  - Providing sustainable energy for all
  - Coherent macroeconomic and development policies supportive of inclusive and green growth

- Environmental sustainability
  - Protecting biodiversity
  - Stable climate
  - Universal access to clean water and sanitation

- Inclusive economic development
  - Eradicating income poverty and hunger
  - Reducing inequalities
  - Ensuring decent work and productive employment

- Inclusive human development
  - Adequate nutrition for all
  - Quality education for all
  - Reduce mortality and morbidity
  - Adequate social protection

- Enablers:
  - Sustainable use of natural resources (climate, oceans, biodiversity) and management of waste
  - Managing disaster risk and improving disaster response

- Peace and human security
  - Freedom from violence, conflict and abuse
  - Resilience to natural hazards
  - Conflict-free access to natural resources

- The Future we Want for All
  - Equality
  - Sustainability
  - Human Rights

➢ The framework integrates key goals and perspectives of sustainability.
➢ How do they interact to address the goals?
The possible contribution of the IASS and CUEIM to the debate

Key points of reflection:

- All the grand challenges of SD essentially imply dealing with change (Watzlawick et al., 1974), then with innovation (Shumpeter, 1939), then with knowledge creation (Nonaka & Takeuchi, 1995), involving Science, hence Academia in the system.

- Call for a functioning Science-Policy interface for SD launched by the UN member States at Rio+20 [Prototype Global Sustainable Development Report, UN-DESA, 2014, p. 51]

- Wide consensus on the key role of a Science-Industry collaboration to address effective innovation through the “Third mission” of Universities (Ranga & Etzkowitz, 2013).

- Hence, Science-Policy and Science-Industry on the one hand, and Policy-Industry on the other hand, can represent critical elements of a possible framework.

- Possible contribution of the Triple-Helix Model (Etzkowitz & Leydesdorff, 2000) as an interpretation scheme.
From the Triple to the Quintuple-Helix Model

A “statist” model

A “laissez-faire” model

A ‘balanced Triple-Helix” model

A “Quintuple-Helix” model

Source: Etzkowitz & Leydesdorff, 2000, p. 112; Etzkowitz & Zhou, 2008; Leydesdorff & Etzkowitz, 2003; Carayannis et al., 2012; Trencher et al., 2014.
The ‘Triple-Helix’ as a general scheme of reference

- The rationale of the model, and its interpretative contribution, lie not so much in the ‘number’ of helices (actors) but in the inter-linked roles they play in the system through interaction targeted to the achievement of shared goals.

- There seems to be a very simple but powerful rule behind the model that can help us to explain the way actors are interconnected and interact in the system.

“Think-Plan-Act” general scheme.

- Actors interact in a common process.
- It is a Goal-based interaction: it is the pursuing of the goal (trajectory) that involves actors in the helix dynamics.
- Involvement occurs when the participants’ (sub-systems) goals (e.g. business goals) converge with the whole system’s goals (e.g. SDGs).
The ‘Triple-Helix’ as a general scheme of reference

Key actors and roles in a possible integrated framework to address SDGs can include:

- **Academia/University (THINK role: generating knowledge)**
  - Creative thinking, ideas generation, innovation, education, research, knowledge & technology transfer, etc.

- **Government (PLAN role: creating conditions)**
  - Planning decision making to create the conditions for implementation through regulation, establishing enabling operative environment, etc.

- **Businesses (ACT role: implementing solutions)**
  - Key engine for addressing SD

KEY of the model:
Actors are reciprocally engaged through interface processes and co-create the system’s outcomes.

Evidences of success as well as criticalities of a Triple-Helix approach in SD are offered by several CUEIM experiences (e.g. inclusion of the SILA - Italy - in the UNESCO’s World Network of Biosphere Reserves - See Sinergie Research Report, 2013).
Businesses as a ‘key engine to address SDGs’

In such a framework businesses can ‘find the conditions’ for the full potential of their role as a ‘key engine to address SDGs’ to be played by going beyond:

... schemes of compliance to standards, reporting, philanthropy, etc.
... views of the social and environmental domains as externalities.
... views of “the fortune at the bottom of the pyramid” (Prahalad, 2006).

- Hence, the time ‘may’ be right to abandon the scheme of “paying” to gain access rights (to emissions, consensus, resources, etc. ...)

  A scheme that may lead to opportunistic and speculative market logics, which, looking at short-term outcomes, risk delaying more radical changes...

- Businesses should accomplish an ongoing paradigm change from traditional CSR-based compliance schemes or philanthropic initiatives to Inclusive and Sustainable Business Models

  (Golinelli, 2010; Porter & Kramer, 2011; Pels et al., 2014; Frey, 2013).
Interaction among different-minded actors across the world will produce the desired outcome only if dominant schemes find appropriate contexts and conditions for developing synergistic (or at least not conflicting) interaction at local-level and, what is most important, all key actors really intend to be involved in the helix vortex of SD by contributing to the achievement of shared goals.
The Great Challenge of a New Global Partnership

The ‘Top’ roles in the upcoming agenda should find a simple way:

- to shorten the ‘distance’ between Plan and Action
- to reach the largest part at the ‘bottom’ of the system where the greatest challenge of SD takes place:

People in Everyday Life.

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Thank you for attention.