ESDN Conference 2014 – 6-7 November Rome , Italy

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

Marialuisa Saviano

Vice President IASS – Italian Association for Sustainability Science

CUEIM – University Consortium of Industrial and Managerial Economics

University of Salerno, Italy – msaviano@unisa.it

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**

http://www.scienzasostenibilita.org/

CUEIM University Consortium for Industrial and Managerial Economics

Mission

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

http://www.development.cueim.com/

IASS Italian Association for Sustainability Science

IASS Italian Association for Sustainability Science

- **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?

MDGs

OWG SDGs

GOAL 1	End poverty in all its forms everywhere
GOAL 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
GOAL 3	Ensure healthy lives and promote well-being for all at all ages
GOAL 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
GOAL 5	Achieve gender equality and empower all women and girls
GOAL 6	Ensure availability and sustainable management of water and sanitation for all
GOAL 7	Ensure access to affordable, reliable, sustainable and modern energy for all
GOAL 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
GOAL 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
GOAL 10	Reduce inequality within and among countries
GOAL 11	Make cities and human settlements inclusive, safe, resilient and sustainable
GOAL 12	Ensure sustainable consumption and production patterns
GOAL 13	Take urgent action to combat climate change and its impacts*
GOAL 14	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
GOAL 15	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
GOAL 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
GOAL 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development

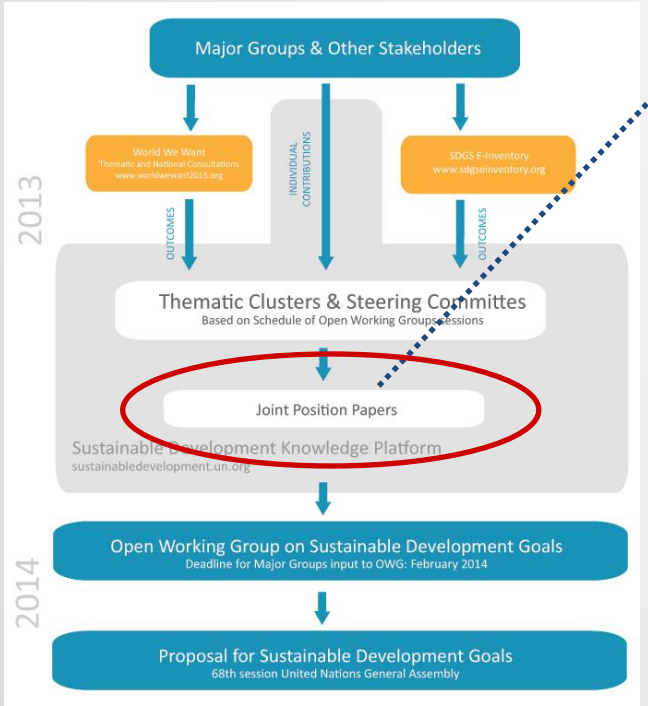
➢**Increased potential for businesses to play a relevant role** in all **forms** of their **core functions** (as *producers, employers, users of resources, innovators*, etc.)

in addition to **traditional philanthropy or CSR schemes.**

Sour NOWG Final Proposal for SDGs; European Report on Development 2013. Post-2015: Global Action for an Inclusive and Sustainable Future, p. 6.

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**."* [...]

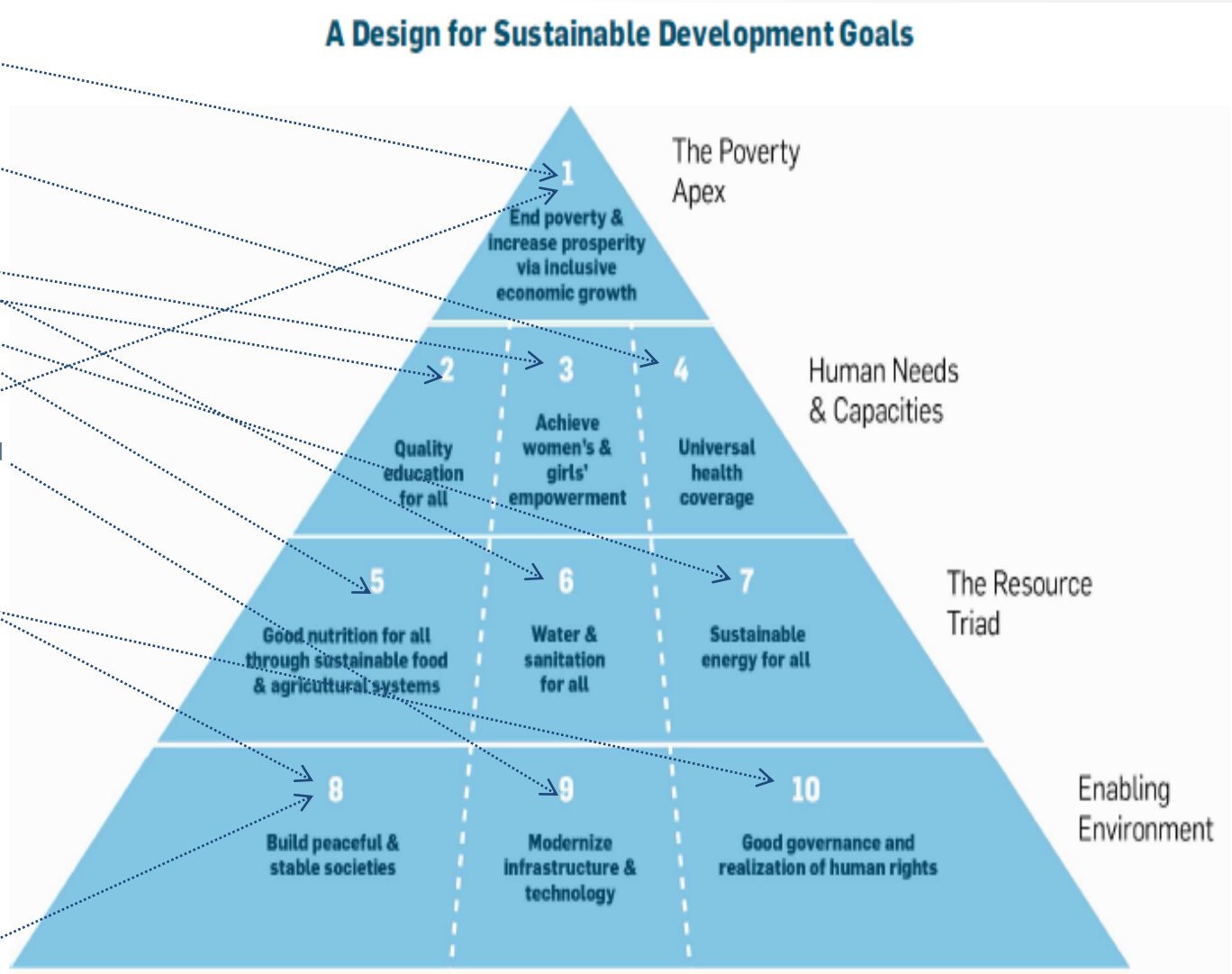
Relevance of a functioning Industry-Policy interface.

3. How important are SDGs to give orientation for the business world?

OWG proposal SDGs

- GOAL 1 End poverty in all its forms everywhere
- GOAL 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- GOAL 3 Ensure healthy lives and promote well-being for all at all ages
- GOAL 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- GOAL 5 Achieve gender equality and empower all women and girls
- GOAL 6 Ensure availability and sustainable management of water and sanitation for all
- GOAL 7 Ensure access to affordable, reliable, sustainable and modern energy for all
- GOAL 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- GOAL 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- GOAL 10 Reduce inequality within and among countries
- GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable
- GOAL 12 Ensure sustainable consumption and production patterns
- GOAL 13 Take urgent action to combat climate change and its impacts*
- GOAL 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- GOAL 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- GOAL 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- GOAL 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development

UN Global Compact Proposal for SDGs



Source: Global Compact LEAD consultations
[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 al local level*)
- Initiatives on private finance (*through enablers such as Stock Exchanges, Market platforms, etc.*)

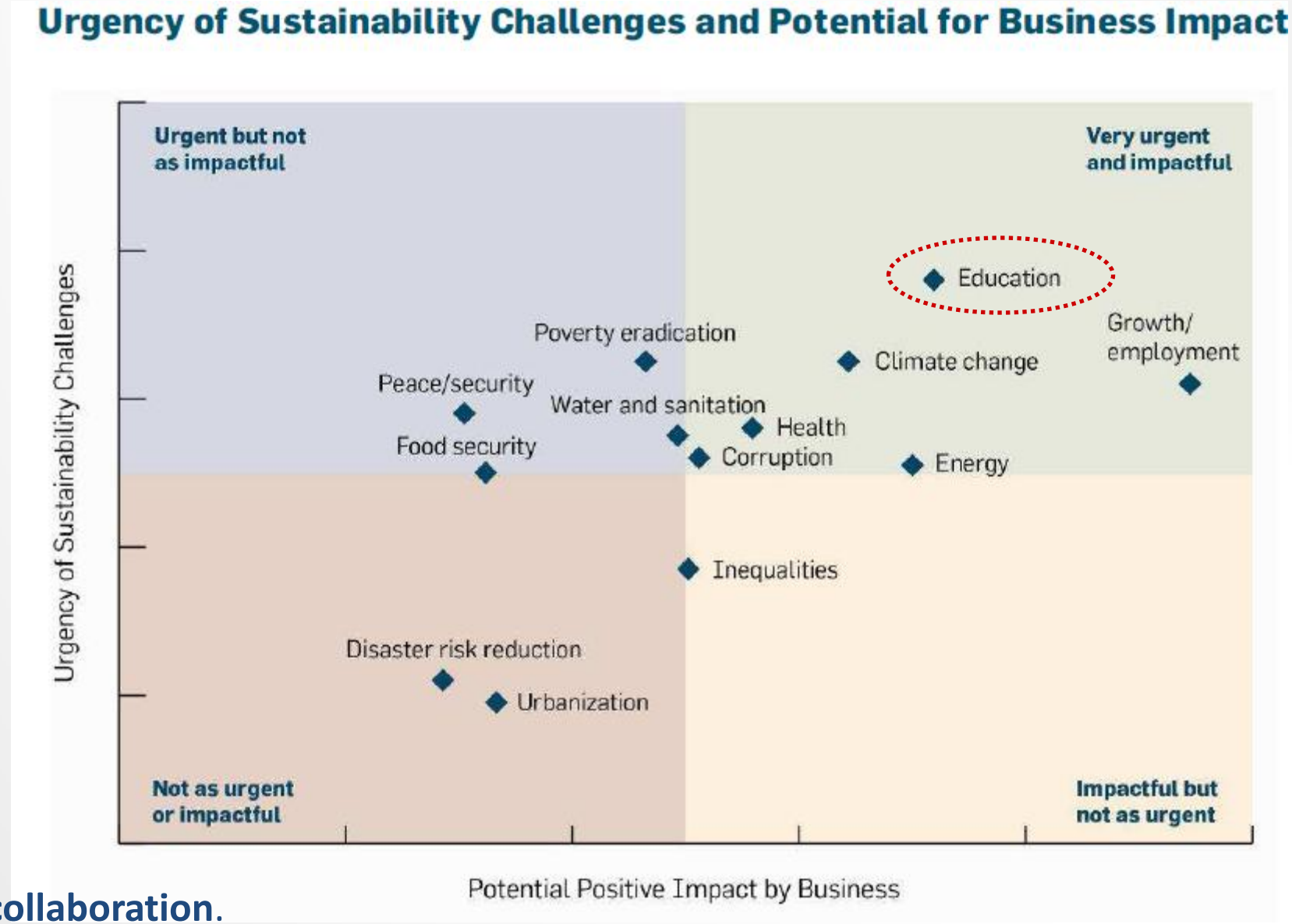
[Source: Global Compact Report to the United Nations Secretary-General, 2013, p. 17-21].

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].

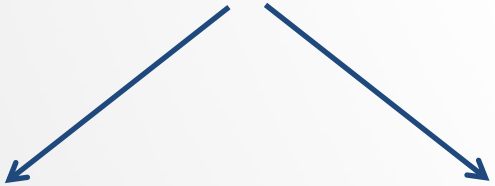


Source: UN Global Compact Annual Implementation Survey 2012

Relevance of Industry-University collaboration.

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**?*

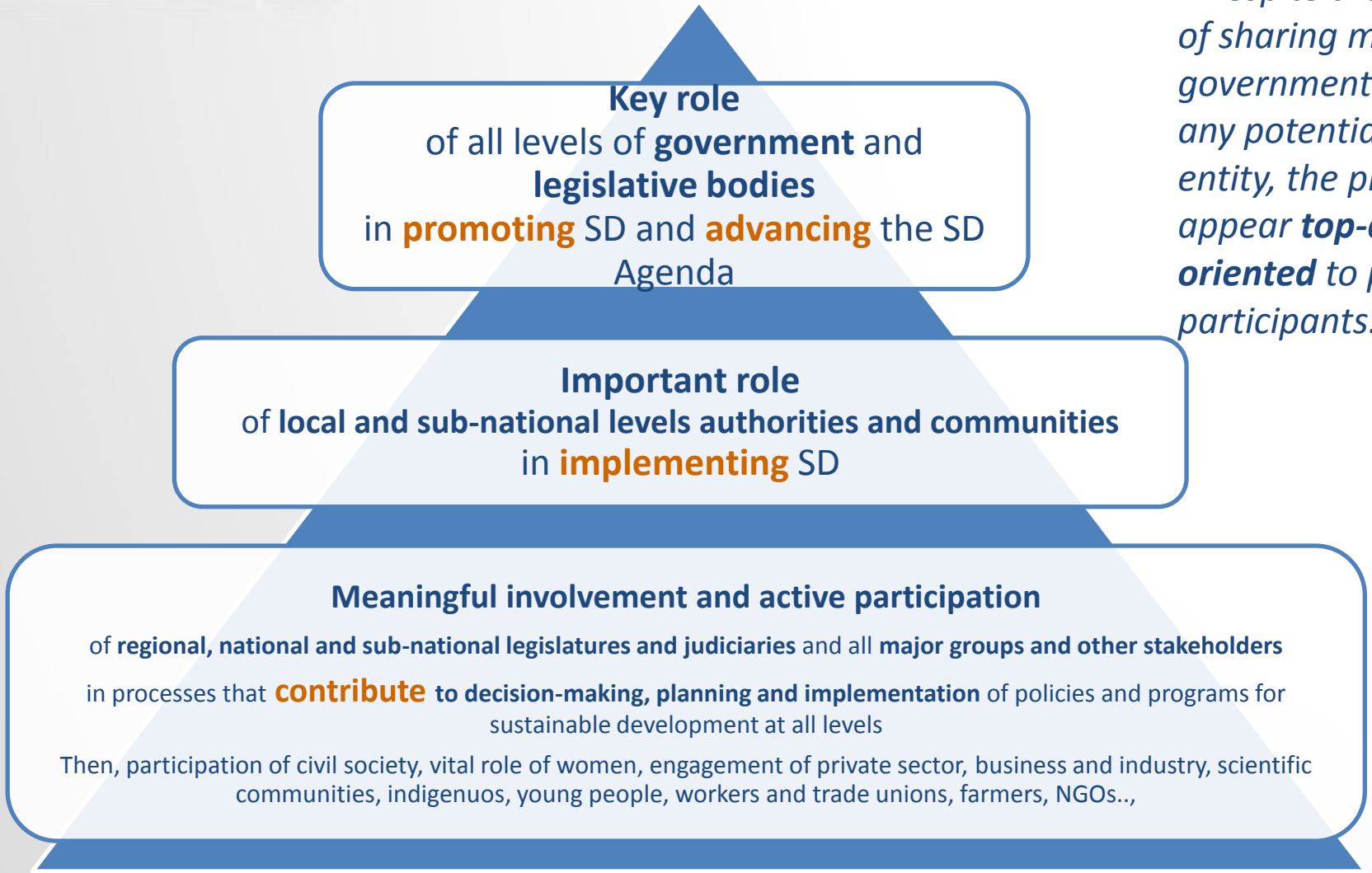
  - *To play a role implies the definition of a system of reference.*

  - *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)

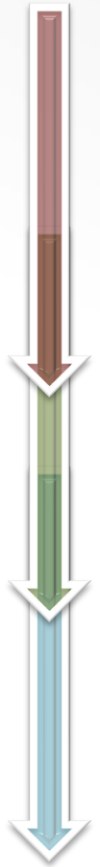
Several actors and roles in the SD Agenda

RIO+20 *"The Future We Want"* about *"Engaging major groups and other stakeholders", p. 7*



[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.*



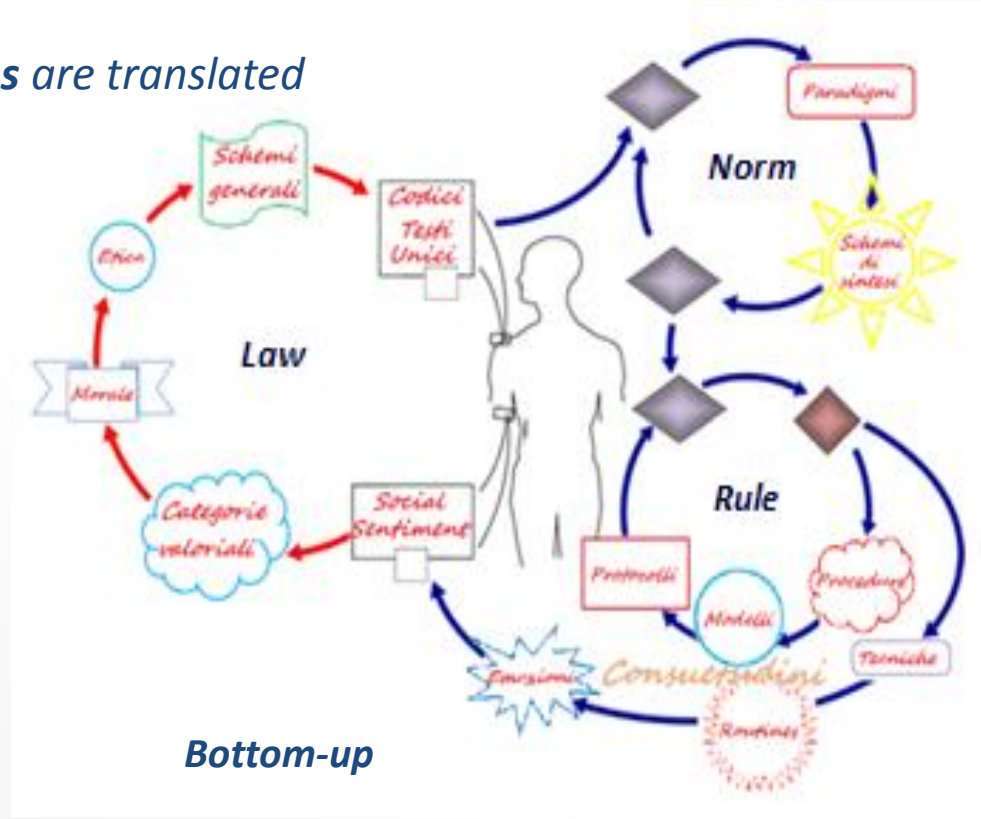
Several actors and roles in the SD Agenda

A **key role of Government**

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

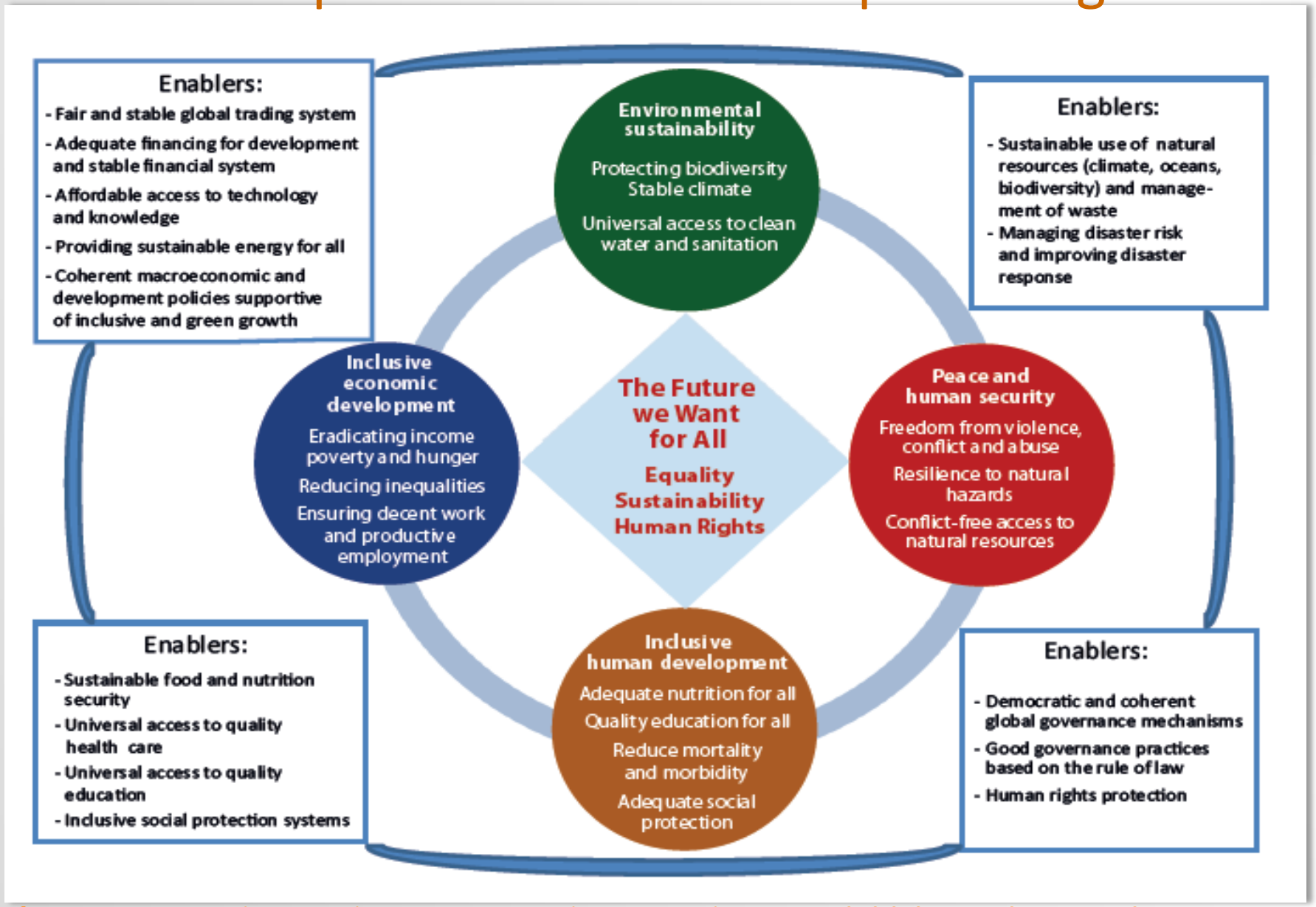
- **Participation**, indeed, is a **necessary but not sufficient condition for engagement**.
- The **effectiveness of SD agenda** is based on a wide **recognition of sustainability as a shared categorical value.**

- 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"



[Source: UN System Task Team on the Post-2015 UN Development Agenda, **A Renewed Global Partnership For Development**, 2013, p. 19]

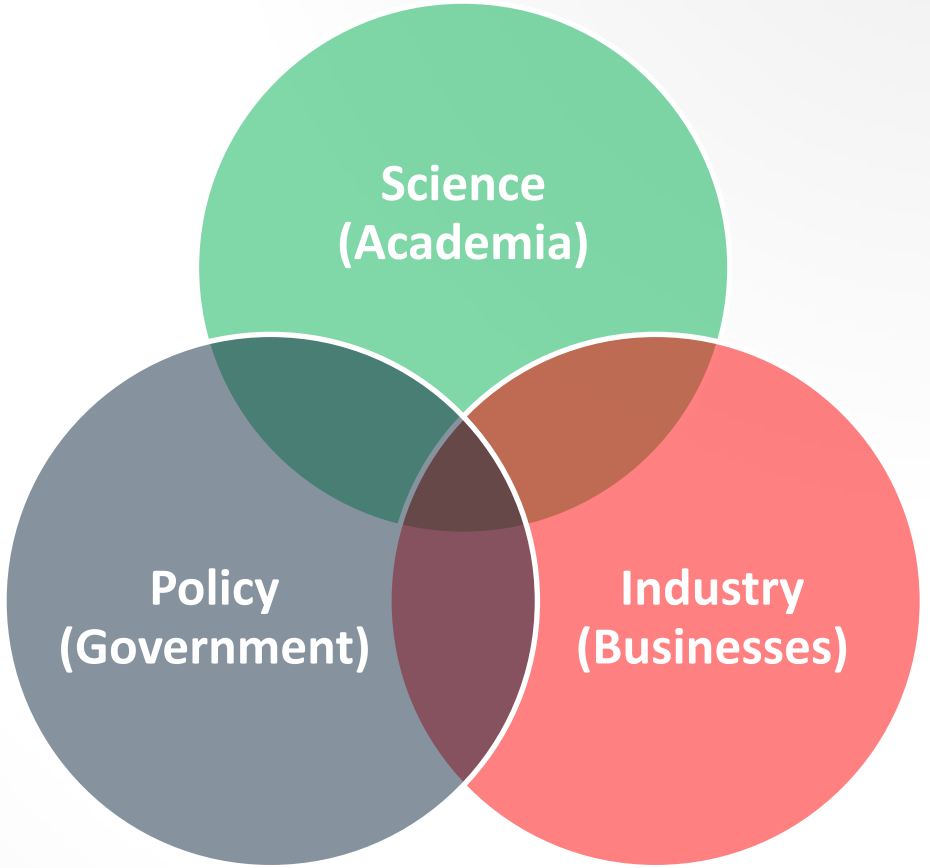
➢ *The framework integrates key goals and perspectives of sustainability.*

➢ *How do they interact* ***to address the goals****?*

The possible contribution of the IASS and CUEIM to the debate

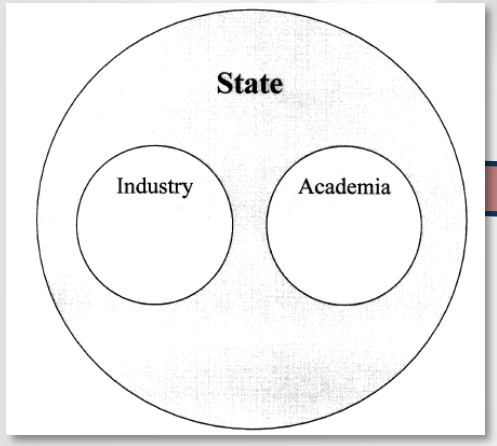
Key points of reflection:

- 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 & Tacheuchi, 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**.



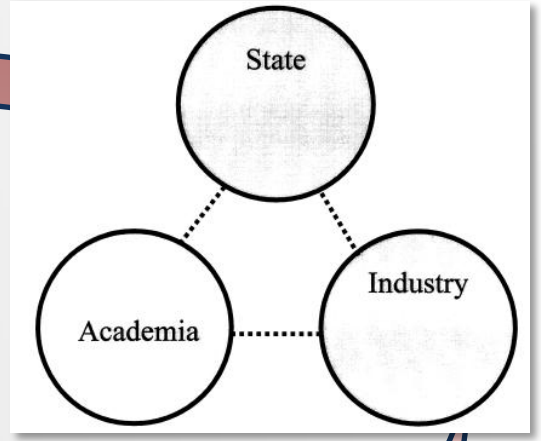
- **Possible contribution of the Triple-Helix Model** (Etzkowitz & Leydesdorff, 2000) **as an interpretation scheme.**

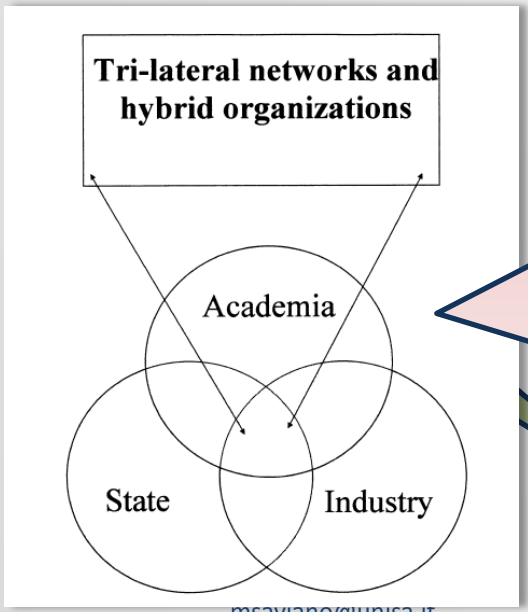
From the Triple to the Quintuple-Helix Model



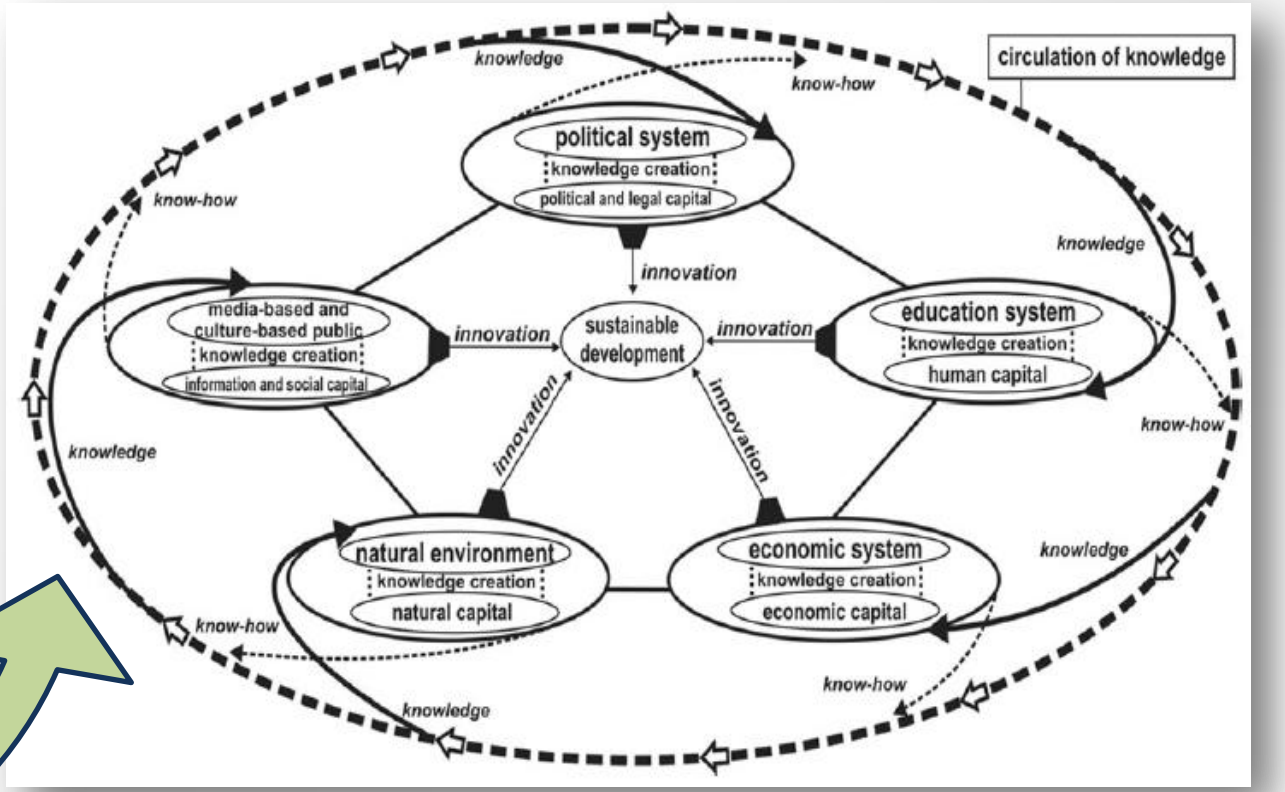
A "statist" model

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.

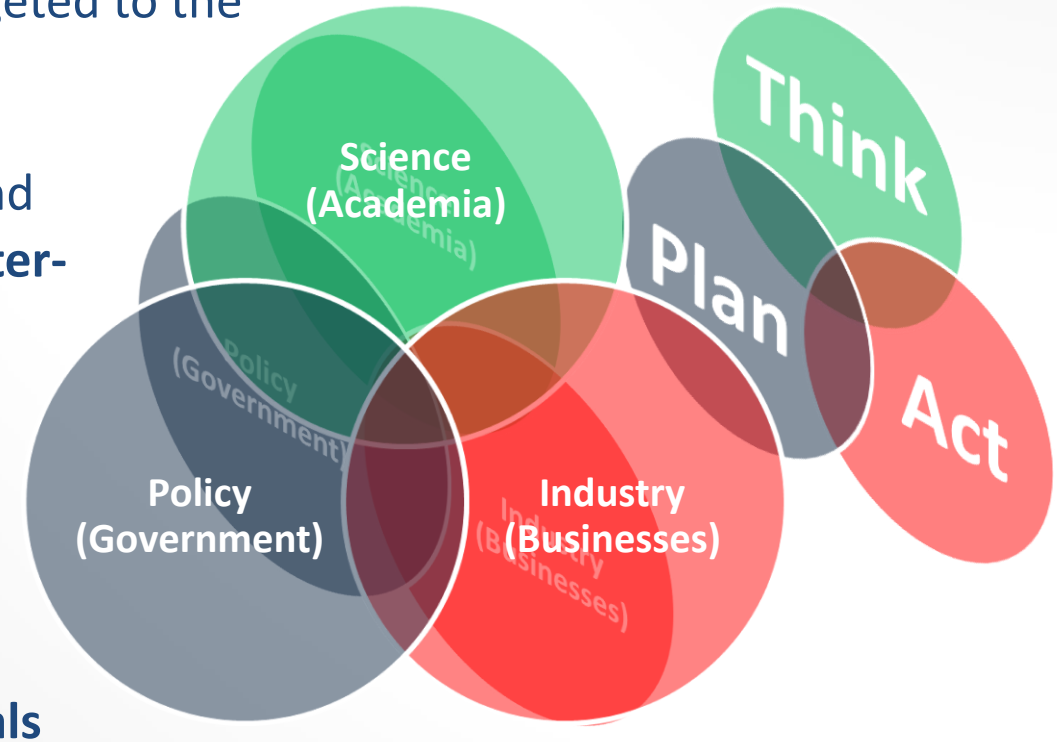
The ‘Triple-Helix’ as a general scheme of reference

- 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 inter-connected 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...

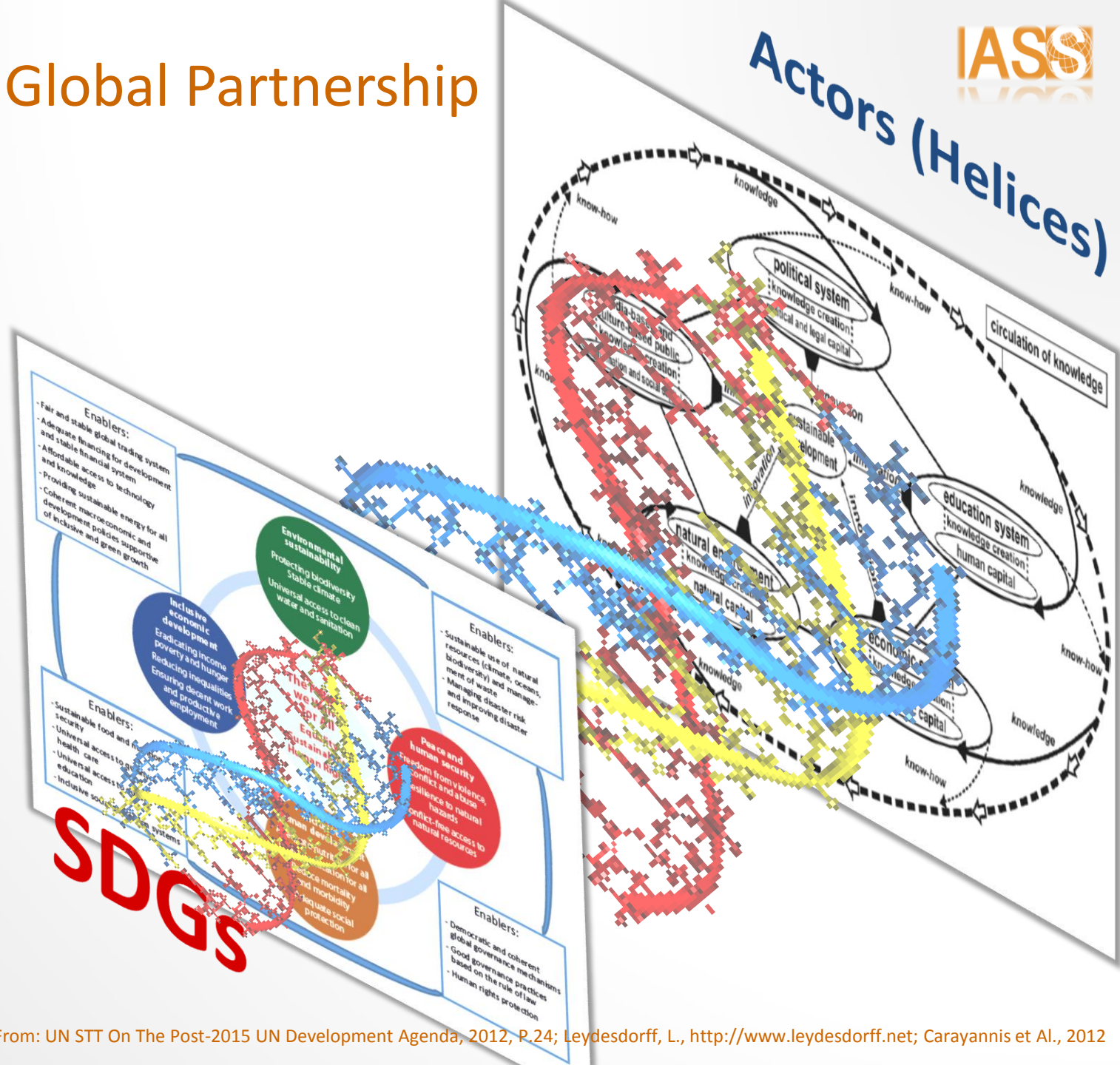
- Businesses should accomplish an ongoing **paradigm change** from traditional CSR-based compliance schemes or philanthropic initiatives to

  Inclusive and Sustainable Business Models

  (Golinelli, 2010; Porter & Kramer, 2011; Pels et al., 2014; Frey, 2013).

The Great Challenge of a New Global Partnership

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.**



Source: Adaptation From: UN STT On The Post-2015 UN Development Agenda, 2012, P.24; Leydesdorff, L., http://www.leydesdorff.net; Carayannis et Al., 2012

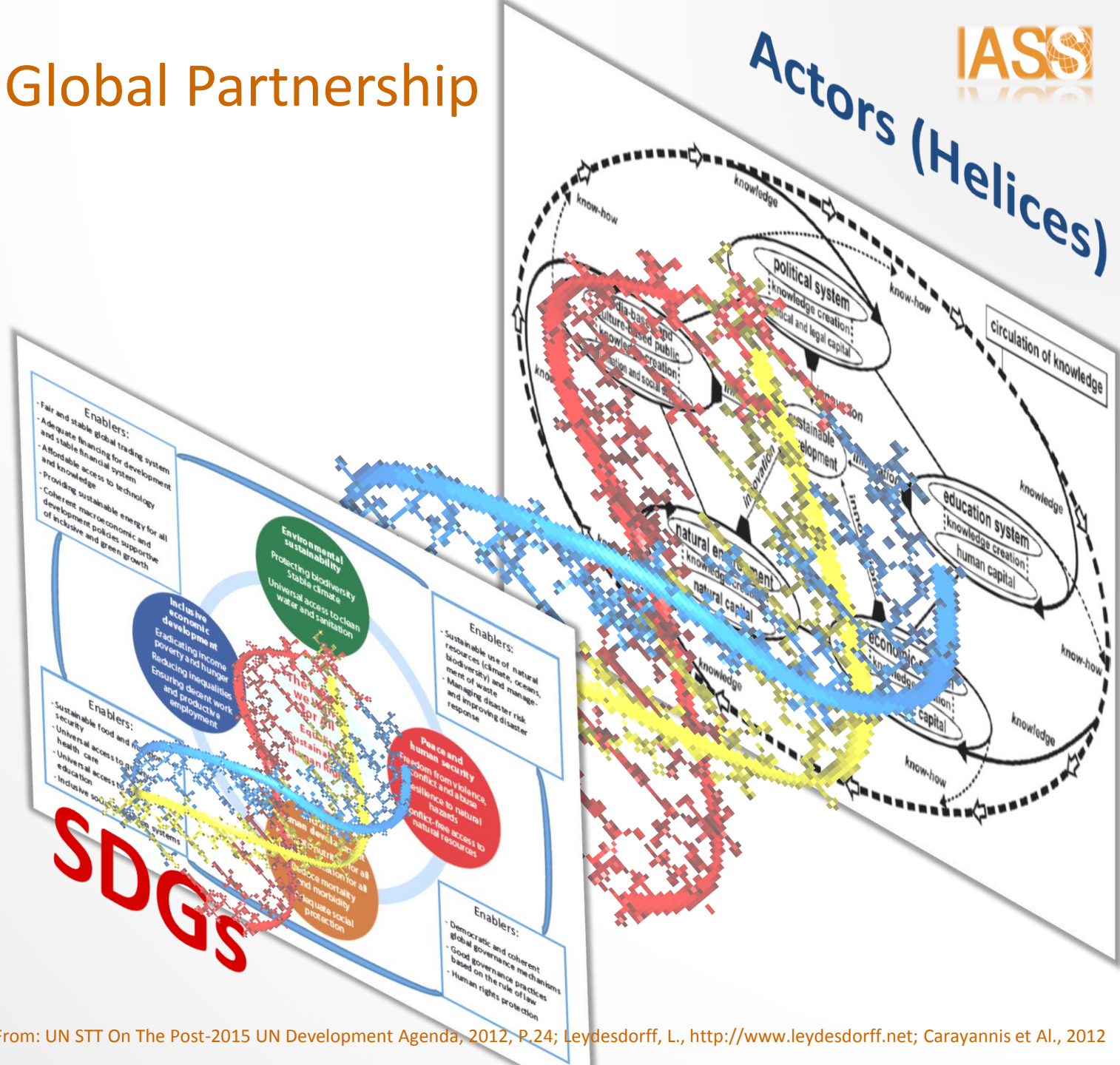
The Great Challenge of a New Global Partnership

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.



Source: Adaptation From: UN STT On The Post-2015 UN Development Agenda, 2012, P.24; Leydesdorff, L., http://www.leydesdorff.net; Carayannis et Al., 2012

ESDN Conference 2014 – 6-7 November Rome , Italy

Thank you for attention.

Marialuisa Saviano

Vice President IASS – Italian Association for Sustainability Science
CUEIM – University Consortium of Industrial and Managerial Economics
University of Salerno, Italy – msaviano@unisa.it

ESDN Conference 2014 – 6-7 November Rome , Italy

References

Barile, S. (2009), *Verso la qualificazione del concetto di complessità sistemica, Sinergie, N. 79.*

Barile, S., Saviano, M. (2011). Foundations of systems thinking: the structure-system paradigm. In Various Authors, *Contributions to theoretical and practical advances in management. A Viable Systems Approach (VSA)*, International Printing, Avellino, 1-26.

Barile, S., Pels, J., Polese, F., Saviano, M. (2012). An Introduction to the Viable Systems Approach and its Contribution to Marketing. *Journal of Business Market Management*, *5*(2), 54-78.

Biggiero, L., (2002). Identità e marketing nelle politiche di governo locale. In Biggiero L., Sammarra A. (2002), *Apprendimento, identità e marketing del territorio*. Franco Angeli, Milano.

Carayannis, E. G., Barth, T. D., Campbell, D. F. (2012). The Quintuple Helix innovation model: global warming as a challenge and driver for innovation. *Journal of Innovation and Entrepreneurship, 1*(1), 1-12.

Elkington, J. (1997). Cannibals with forks. The triple bottom line of 21st century. Capstone Publishing, North Mankato.

Etzkowitz, H., Leydesdorff, L. (2000). The dynamics of innovation: from National Systems and "Mode 2" to a Triple Helix of university–industry–government relations. *Research policy*, *29*(2), 109-123.

Etzkowitz, H., & Zhou, C. (2008). Introduction to special issue Building the entrepreneurial university: a global perspective. *Science and Public Policy*, *35*(9), 627-635.

Etzkowitz, H., Ranga, M., Benner, M., Guaranys, L., Maculan A.M., and Kneller R., "Pathways to the entrepreneurial university: towards a global convergence", *Science and Public Policy*, 35(9), November 2008, pages 681–695

Frey M. (2013), Creating Shared Value: A Trasformative Approach to Sustainable Development, , in Mele, R., Zollo (eds The Shared Value Debate. Academic Vision on Corporate Sustainability, 27-3.

Golinelli, G.M. (2010). *Viable Systems Approach (VSA). Governing Business Dynamics*, CEDAM, Kluwer, Padova.

Golinelli, G.M. (Ed. 015), *Cultural Heritage and Value Creation. Toward new Pathways*, Springer.

Leydesdorff, L., Etzkowitz, H. (2003). Can 'the public'be considered as a fourth helix in university-industry-government relations? Report on the Fourth Triple Helix Conference, 2002. *Science and Public Policy, 30*(1), 55-61.

Lucci, P., PostPost -2015 MDGs 2015 MDGs 2015 MDGs.What role for business? ODI, June 2012

Micangeli, A., Naso, V., Michelangeli, E., Matrisciano, A., Farioli, F., Belfiore, N. P. (2014). Attitudes toward Sustainability and Green Economy Issues Related to Some Students Learning Their Characteristics: A Preliminary Study. *Sustainability*, *6*(6), 3484-3503.

Nonaka, I., Takeuchi, H. (1995). *The knowledge-creating company: How Japanese companies create the dynamics of innovation*. Oxford university press, Cambridge.

Orecchini, F. (2007). A "measurable" definition of sustainable development based on closed cycles of resources and its application to energy systems. *Sustainability Science*, *2*(2), 245-252.

Orecchini, F. (2011). Energy sustainability pillars. *International Journal of Hydrogen Energy*, *36*(13), 7748-7749.

Pels, J., Barile, S., Saviano, M., Polese, F., Carrubbo, L. (2014). The contribution of VSA and SDL perspectives to strategic thinking in emerging economies. *Managing Service Quality*, *24*(6), 565 - 591

Porter, M. and Kramer, M. (2011), *Creating Shared Value: How to Fix Capitalism and Unleash a New Wave of Growth*, Harvard Business School, Harvard.

Prahalad, C. K. (2006). *The Fortune at the Bottom of the Pyramid*. Pearson Education India, Delhi, Chennai

Ranga, M., Etzkowitz, H. (2013), "Triple Helix systems: an analytical framework for innovation policy and practice in the Knowledge Society", *Industry and Higher Education*, 27 (4), Special Issue (August 2013).

Sinergie, *I territori classificati dall'UNESCO: vantaggi, potenzialità e percorsi per il Parco Nazionale della Sila, Rapporto di ricerca* n. 37 - Maggio 2013, Supplemento al n. 90 - Gennaio-Aprile 2013

Shumpeter, J. A. (1939). *Business cycles: A theoretical, historical and statistical analysis*. Martino Pub.

Trencher, G., Yarime, M., McCormick, K. B., Doll, C. N., & Kraines, S. B. (2014). Beyond the third mission: Exploring the emerging university function of co-creation for sustainability. *Science and Public Policy, 41*(2), 151-179.

Watzlawick, P., Weakland, J.H., Fisch, R. (1974). Change. Sulla formazione e la soluzione dei problemi. Astrolabio Ubaldini Edizioni, Roma.

Wiek A., Farioli F., Fukushi K., Yarime M. (2012), Bridging the Gap between Science and Society, 2012 editorial Special Feature *Sustainability Science Journal* 7 (Supplement 1) Springer.

Wiek, A., Harlow, J. Melnick, R., van der Leeuw, S., Fukushi, K., Takeuchi, K., Farioli, F., Yamba, F., Blake, A., Kutter, R. (2014). Sustainability science in action – A review of the state of the field through case studies on disaster recovery, bioenergy, and precautionary purchasing, *Sustainability Science Journal*, published on line 15 August 2014, Springer DOI 10.1007/s11625-014-0261-9.