

The Sustainable Development Goals and the Common Good

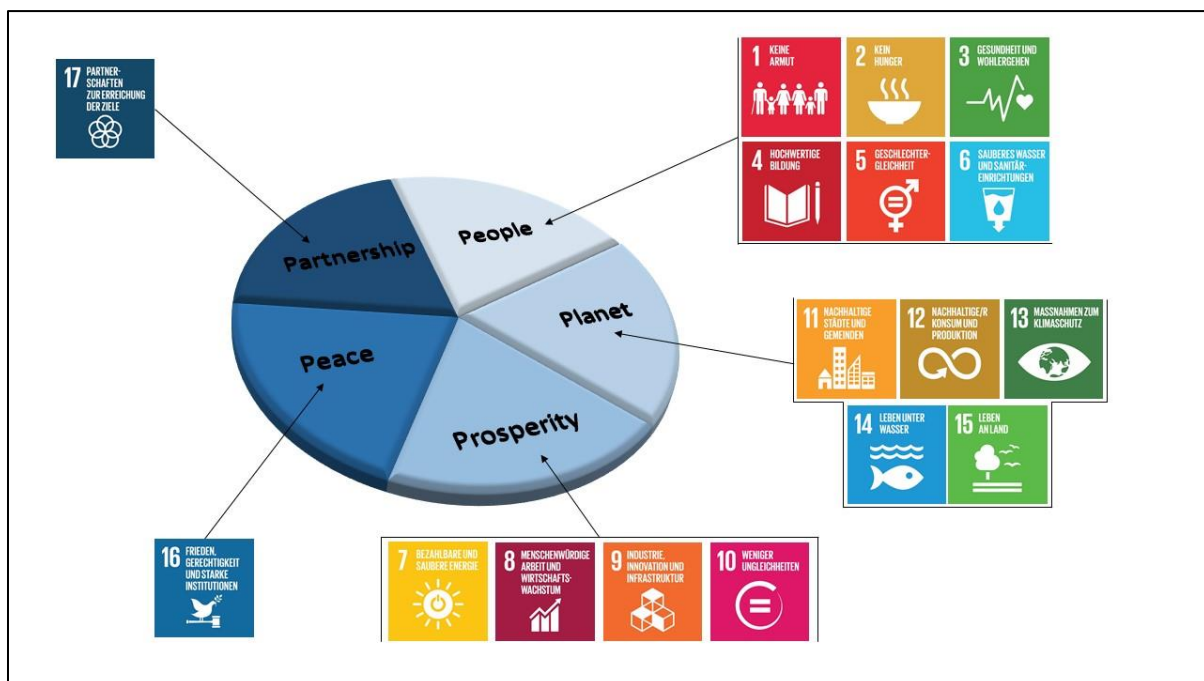
Gerd Hofielen and Matthias Kasper / Berlin / August 2018



In 2015, the United Nations adopted the Sustainable Development Goals (SDGs) as part of Agenda 2030. As successors to the Millennium Development Goals (MDGs), which served as key indicators for the global development goals for the period 2000 - 2015, the SDGs are now entirely dedicated to a transformation to global sustainable development for people, planet, prosperity, peace and partnership by the year 2030.¹

193 countries and various organisations from the private and non-profit sectors were involved in the development of the SDGs. The Sustainable Development Goals consist of 17 overall goals and can be seen as an attempt by the global community to overcome various global challenges.² As the figure below shows, the 17 sustainable development goals can be categorized into five dimensions: people, planet, prosperity, peace and partnership. This shows that the SDGs are multidimensional and contain environmental, social and economic objectives.

Clustering the SDGs according to the „5Ps“.



reference: Kasper (2018), p. 10

¹See Vereinte Nationen (2015), p. 1-2

²See Vereinte Nationen (2015), p. 15

The character of the SDGs can be described as universal, interdependent and ambitious.³ The SDGs acquire their universal character by addressing all countries of the world community. In contrast to the MDGs, this shows a different approach, as these were mainly aimed at the so-called developing countries.⁴ In addition, Agenda 2030 explicitly emphasises that sustainable development should be achieved for the benefit of all mankind, which also underlines the universal character of the SDGs. The interdependence of the SDGs results from the fact that the objectives are interlinked and influence each other.

For example there is an interdependence between SDG 12 (Responsible consumption and production) and SDG 13 (Climate action), since the quantity of sustainable consumption and production patterns can have a positive or negative impact on combating climate change. The SDGs can be characterized as ambitious because they form a comprehensive target system consisting of a further 169 sub-targets in addition to the 17 overall targets to which in turn a large number of indicators (a total of 231)⁵ are assigned.

Can the SDGs fulfill their promise?

The adoption of the SDGs represents a step forward for the global community by putting the goal of global sustainable development back on the political agenda and integrating poverty reduction equally into the target system. At the same time, however, the SDGs are also based on an approach that contains significant, unspoken contradictions. For instance, there is a potential contradiction between SDG 8 (Decent work and economic growth) and SDGs 13 (Climate action), 14 (Life below water) and 15 (Life on land), as effective protection of climate and ecosystems while maintaining the claim of permanent economic growth must certainly be called into question.

The economic model of the SDGs is based on the same model for prosperity and growth with which the More Developed Countries (MDCs)⁶ led the world community into the current environmental and resource crisis. With the same economic model, the Less Developed Countries (LDCs) are now to be raised to the level of the MDCs. This will not succeed, as the planet's resources will be overwhelmed many times over. The SDGs do not address the direction in which consumption levels in the MDCs need to change in order to create space for consumption growth in the LDCs. Selective economic growth, which enables the economies of the LDCs to satisfy the basic needs of their own population through

³See University of Cambridge Institute for Sustainability Leadership (2017) p. 6-7

⁴See Sachs (2012), p.3.

⁵See Blumers et al. (2016), p. 25-26

⁶MDC/LDC is used here as a term to describe the opposites: early or late industrialized countries, materially rich or poor countries, countries of the North or South, colonial countries or colonized countries. We want to describe the gap between the countries that dominated others and those that were dominated. This contrast still exists today, but should be portrayed in a non-discriminatory way.

further growth, but at the same time includes urgently needed sufficiency strategies of the MDCs is not at all enshrined in the framework of Agenda 2030. Without addressing such trade-offs, the SDGs do not offer a realistic development strategy and are likely to remain pipe dreams.

Historically, the MDCs have succeeded in establishing unequal barter relations with the LDCs and have obstructed and prevented the development of flourishing national economies. The MDCs also have relatively stable institutions, government systems and legal systems. They use this still today in shaping the structures and power relations in international institutions (e.g. World Bank, IMF, WTO). The LDCs continue to be institutionally disadvantaged in global interaction and subordinate to the dominant MDCs.

The LDCs' request for aid⁷ by the MDCs has only been superficially satisfied since the years of the emergence of these power imbalances. Therefore, the question must be asked whether the SDGs are strongly illusory, because the material exchange relations are still at the expense of the LDCs. The economies of the MDCs benefit from weak legal regulations for the protection of people and nature in the LDCs. So far, there are no signs that the attitude of the dominant nations will change. E.g. European companies export their surplus agricultural products with the help of government subsidies to the LDCs and obstruct the attempts of food sovereignty there.

If the SDGs were to have a chance of success in the face of these historical experiences of dealing with powerful interests, the governments and corporations of the MDCs would have to

- Limit their own resource consumption and apply consistent sufficiency strategies, and
- Establish fair exchange relationships in economic interactions with the LDCs, and
- Support the development of effective government and legal institutions as well as social security systems with international/supra-regional responsibility⁸

In such an overall strategy inspired by humanistic values, social justice and international solidarity, companies could use the SDGs as a guiding framework to make their contribution to sustainable development.

It should be noted, however, that the governments and corporations of the MDCs are "cherry picking" and are simply ignoring the contradictions of the SDGs. The companies choose the SDGs to which they contribute anyway according to their business models and do not care about the other SDGs. In a

⁷In this context, "aid" is often a term in the international system of so-called development cooperation, which often disguises the interests of economic and export promotion of the donor countries.

⁸It should be mentioned that these should not be "neo-colonial" interventions in which the MDCs impose context-independent institutional solutions on the LDCs. Rather, genuine support must be provided on an equal footing, allowing the LDCs to develop their own institutions.

survey conducted by IHK München⁹ (Munich Chamber of Industry and Commerce), for example, 70 percent of the companies surveyed stated their intention to contribute to SDG 8 (Decent work and economic growth). Only 11 percent recognize their contribution to SDG 1 (No poverty) and SDG 2 (Zero hunger). This eliminates the responsibility for fair wages within the supply chain to a large extent.

In contrast to the approach of conventional companies, companies that declare themselves to belong to the Economy for the Common Good (ECG) attract attention due to a problem-solving, ethically motivated approach.

The contribution of the Economy for the Common Good to the Sustainable Development Goals

The Economy for the Common Good (ECG) aims to establish an ethical, environmentally sustainable and socially just economic system and takes a holistic view of all corporate practices that contribute to this. As part of this approach, companies do not use "cherry picking" in the context of the SDGs. For example, they accept the fair and environmentally sound configuration of the supply chain as an active challenge and address the reduction of resource consumption. This holistic view of corporate practice enables the creation of a value contribution for society through the operational performance of individual companies.

The core instrument of the ECG model is the Common Good Balance Sheet, which can be used both for ethical organisational development and as a sustainability reporting framework. This makes a company's contribution to the common good visible and measurable.

The holistic corporate view of the Common Good Balance Sheet corresponds very well with the interdependent character of the SDGs.¹⁰ It shows companies to what extent negative social, economic and environmental impacts can be reduced or positive impacts can be improved.

At least one SDG is addressed within each Common Good theme, and in principle several SDGs tend to be addressed¹¹. The corporate practices in the Common Good themes A1 "Human dignity in the supply chain", B3 "Use of funds in relation to the environment" and E3 "Reduction of environmental impact" make a particularly significant contribution to the implementation of the SDGs (nine SDGs are addressed). A strong contribution in these three themes firstly improves the social and environmental sustainability of the economy in the MDCs and requires steps toward sufficiency, secondly as a consequence it improves the standard of living in the LDCs, and thirdly it correlates with the protection of the planetary boundaries that mark the ecological foundations for human life on our planet.

⁹See IHK München und Oberbayern (2017), p. 18-21

¹⁰See the following paragraph: Kasper (2018), p. 37-43

¹¹ See appendix, p.6.

The Common Good Balance is an exemplary instrument for aligning the practices of a company with the promotion of the SDGs. It meets the requirements of the SDGs in an excellent way in terms of integrity, ambition, interdependence and transparency. This is also the conclusion of a study by the University of Bremen, which lists the Common Good Balance Sheet in the implementation of the SDGs in small and medium-sized enterprises with a “high level of ambition”¹².

A survey conducted by the German Global Compact Network shows that there is a need for a consistent approach like the Common Good Balance Sheet from the company’s point of view. According to the survey, 72 percent of German companies (379 participating companies) consider the SDGs to be relevant for their own operations¹³. At the same time, however, only 13 percent of the companies (a total of 986 German and foreign companies surveyed) have so far identified the suitable instruments for implementing the SDGs¹⁴.

However, the sole contribution of companies to global sustainable development cannot guarantee the successful implementation of Agenda 2030. What is also needed is a change in the political and legal framework for the economy that supports and promotes consistent, sustainable corporate management. To put it in the words of Prof. Dr. Hubert Weiger:

„We need courageous political decisions that reward less growth and more sustainability, that promote the common good instead of the pursuit of profit“.

Prof. Dr. Hubert Weiger, BUND and member of the German Council for Sustainable Development

¹²See Giesenbauer/Müller-Christ (2018), p.62.

¹³See Deutsches Global Compact Netzwerk, et al. (2016), p. 7.

¹⁴See PwC (2015), p. 26.

Appendix

Linking the Common Good Balance Sheet and the Sustainable Development Goals (SDGs)¹⁵

VALUE STAKEHOLDER	HUMAN DIGNITY	SOLIDARITY AND SOCIAL JUSTICE	ENVIRONMENTAL SUSTAINABILITY	TRANSPARENCY AND CO-DETERMINATION
	A: SUPPLIERS	A1 Human dignity in the supply chain 1 2 3 4 5 6 8 10 12	A2 Solidarity and social justice in the supply chain 1 2 3 4 10 12	A3 Environmental sustainability in the supply chain 6 7 12 13 14 15
B: OWNERS, EQUITY- AND FINANCIAL SERVICE PROVIDERS	B1 Ethical position in relation to financial resources 8	B2 Social position in relation to financial resources 1 8	B3 Use of funds in relation to the environment 3 6 7 8 9 11 13 14 15	B4 Ownership and co-determination 10 16
C: EMPLOYEES	C1 Human dignity in the workplace and working environment 3 4 5 8 9 10	C2 Self-determined working arrangements 1 3 5 8	C3 Environmentally friendly behaviour of staff 3 7 12 13 14 15	C4 Co-determination and transparency within the organisation 10
D: CUSTOMERS AND BUSINESS PARTNERS	D1 Ethical customer relations 10 12	D2 Cooperation and solidarity with other companies 9 17	D3 Impact on the environment of the use and disposal of products and services 6 7 12 13 14 15	D4 Customer participation and product transparency 12
E: SOCIAL ENVIRONMENT	E1 Purpose of products and services and their effects on society 3 10 12	E2 Contribution to the community 8 9 10 11 16 17	E3 Reduction of environmental impact 3 6 7 12 13 14 15 17	E4 Social co-determination and transparency 10 16 17

¹⁵Kasper (2018), p. 46.

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