



THE CREATION OF THE SDGs – A NEW PARADIGM FOR PROGRESS?

We are living in uncertain, turbulent times. The term ‘VUCA’ is nowadays commonly used to characterize the kind of turbulence that society faces. This acronym – introduced by the US Military College towards the end of the ‘cold war’ (1987-1991) – stands for the intensified Volatility, Uncertainty, Complexity and Ambiguity that technological, political and economic processes are currently creating. The world has become increasingly multipolar – witness the rapid economic development of China, Russia’s foreign military interferences, the partial withdrawal from the global stage of the United States and the recurrent fragmentation and indecisiveness of the European Union. The unpredictable movements in our VUCA world are considered ‘the new normal’, yet seriously hamper the way corporations, organizations and people are able to make decisions, plan ahead, manage risks and foster change. This situation becomes even worse if they want to adopt a longer-term perspective, as is required for most of today’s societal challenges.

A VUCA world creates tough and pressing challenges, even for those who manage to come to grips with its dynamics, openings and opportunities. Business scholars address these near intractable issues as ‘grand challenges’ and strategic ‘leadership paradoxes’ that require cross-sectoral, collaborative, and multi-levelled coordinated efforts. Dealing with rapidly amplifying complexity and uncertainty also calls for business model innovations, new forms of decision-making that are fit to cope with the levels of complexity at hand and, ultimately, for rather different mind-sets, values, norms and standards.

21st Century challenges...

The challenges the world is facing today are enormous. Ecological, economic, geopolitical, demographic and technological forces are shaping an unsettled landscape in search of new balances, adaptive coordinating structures and resilient coping mechanisms. Present-day realities such as climate change, global warming, accelerated biodiversity loss, depletion and pollution of vital natural resources, growing inequalities in income, wellbeing and life-perspective, stagnated economic growth and geopolitical tensions, make our societies vulnerable in quite unpredictable ways. Take, for instance, the growing global population, which, at face value, may seem a relatively easy-to-assess demographic factor with clear, foreseeable consequences. But is it? By the year 2050, the earth will probably have to feed around 9.7 billion people. This implies that the demand for food will be an estimated 60% higher than today. If not dealt with effectively, malnutrition, hunger and conflict are likely to arise. If not dealt with responsibly, ecological degradation, biodiversity loss and natural

resource depletion will be the result. A growing world population also implies a growing demand for healthcare, education, housing, energy, transport, connectivity and decent income-generating jobs. The hotspot for many of these developments will be Africa, where the highest increase in population (relative to other areas of the world) is expected over the next decades – from one billion to three billion people.

In parallel, developments in digital technology will continue to influence our ability to cope with these entangled societal challenges. The internet has significantly changed the way we live, work, organize and govern society, thereby affecting or redefining values such as security, privacy, economic value, accountability, fairness and inclusivity. However, the effects of the massive introduction of social media and instant interconnectedness on (social) skills development, productivity and our mental, emotional and physical health are still largely unclear. Digital developments enhance problem-solving capabilities, for instance, by producing better data, fit-for-purpose intelligence and smarter coordination. Nevertheless, digital developments may also amplify power concentration, inequality ('digital divides'), erosion of civil rights and disruption of governance, thereby exacerbating societal tensions and vicious dynamics.

Amidst these rapid developments, the gender gap in such crucial domains as access to health, education, earning potential and political power is only decreasing slowly, despite the recognition that gender equality makes perfect economic sense. It has been calculated that at current rates, it will take another 118 years to close the economic gender gap entirely. These challenges, and many concurrently related developments, are highly interlinked, global in scale and complex in nature. Consequently, how to approach them effectively is open for debate and dependent on emerging insights. The example above is just one of the profoundly interrelated effects that global change processes trigger.

Enter the Sustainable Development Goals (SDGs)....

On 25 September 2015, the United Nations' Sustainable Development Goals (SDGs) were released as part of the *2030 Agenda for Sustainable Development*. On that date, all 193 member countries of the United Nations unanimously committed to achieving 17 ambitious and interrelated Global Goals by 2030 (UN, 2015). These goals were established following a massive over two-year global multi-stakeholder consultation process in which hundreds of big and small corporations, governments, civil society groups, knowledge institutes and other organizations participated. In fact, the SDGs represent the most extensive public consultation in the history of the United Nations. The United Nations' survey 'MyWorld2015' asked 9.7 million citizens what they would like to see included in the new goals that were to supersede the preceding Millennium Development Goals as established in the year 2000. The 17 goals and 169 sub-targets resulting from this global consultation process range from eradicating poverty and hunger, improving access to health and education and ensuring human rights, to climate action, protecting ecosystems and safeguarding biodiversity (Figure I.1).

The SDGs are aimed at advancing a diverse range of crucial sustainable development themes simultaneously, with universal coverage, involving all societal stakeholders, and through an inclusive approach. But they have also encountered criticism for either being too ambitious and too complex or not being ambitious enough, especially with regard to the modalities of their execution and the omission of addressing crucial financial considerations like *who is going to*

pay? Notwithstanding this highly relevant and critical discourse, the SDGs are generally considered to constitute the leading frame of the global sustainable development agenda until 2030, in particular for governments around the world. Under which conditions will they also be the leading agenda for corporations? Part I of this book will examine three ‘why’ questions related to the ambition of ‘Transforming Our World’ (UN, 2015): (1) Why now? (2) Why not? and (3) Why slow?

Figure I.1 The Sustainable Development Goals



Why now?

Chapter 1 discusses why the introduction of the Sustainable Development Goals as a global agenda is not only a challenging ‘outcome’ ambition. In addition, it signals an urgently needed and timely ‘paradigm shift’ in the thinking on the conditions for sustainable development and the role(s) to be played by societal actors, such as companies. The SDGs are a novel way of addressing the systemic ecological, economic and social crises of our VUCA world through several vital components that, together, constitute a new paradigm of progress. They are explicitly inclusive, based on positive frames for change, defined as universal challenges, complexity-sensitive, principle and collective-ambition oriented, and based on joint investments (rather than on subsidies, philanthropy or aid-assistance only). Chapter 1 clarifies why these components can be considered a new paradigm for governments, citizens and corporations alike, and why the SDGs can be appraised to signal the dawn of a new era.

Why not?

The paradigm status of the SDGs as a leading reference framework critically depends on its theoretical and practical elaborations, as well as on how it tackles gaps in its original (2015) set-up. The SDGs-approach was designed as ‘work in (and on) progress’ that requires permanent scrutiny in its indicators, strategies and implementation experiences. The SDGs-agenda supports a ‘learning by doing’ approach – not in the least because of the inherent complexity/wickedness of the sustainability problems that are to be addressed in a VUCA world. **Chapter 2** scrutinizes in more detail the SDG approach from a variety of directions: its (general) design, its (broad) ambitions, its (dashboard) measurement approach and its adoption

of a (multi-stakeholder) process to upgrade and learn during implementation. Implementing the new paradigm is faced with a considerable number of challenges. Understanding these key challenges – and the approach chosen – forms the main objective of this chapter.

Why slow?

The effectiveness of the SDG-agenda is as much influenced by dealing with criticisms, as by adequately addressing the identified challenges and embracing the opportunities these can entail. The SDGs' success also depends on their reception in society and the degree of ownership by different societal stakeholders. **Chapter 3** takes stock of the first four years of the SDG-initiative. The first cycle of implementation and fine-tuning of the SDG approach ended in September 2019. The assessment of this first phase tells two stories: how the agenda has been further developed, and the extent to which specific flaws in the set-up were covered through the involvement of multiple stakeholders. We will see that the SDGs present an encouraging and promising approach, but not without flaws, intellectual voids, coordination bottlenecks and significant empirical gaps (for instance, in accumulating adequate data to track progress). The chapter will, therefore, also explain why progress is too slow, on almost all accounts, and identify entry points for what to do about that. Chapter 3 lists the conditions under which one can consider approaches to the SDGs successful while also signifying a 'paradigm change' in the thinking and way of organizing. These conditions serve as the agenda for the remainder of the book: Part II (What and Who) and Part III (How).

Principles

Part I covers '*Systemic Principles*' in particular. They are generic and existential in nature and present the context dimension in which sustainable business models materialize. Systemic principles define universal goals (values) and dynamic principles (propositions) for directing society towards more sustainable development trajectories. Part I consequently delineates the *conditions* under which companies can purposefully take up responsibilities for the SDGs to help speed-up their implementation.