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Sustainability:
Sustainable Development Needs Stimuli
by Staffan Movin

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As Gro Harlem Brundtland stated in "Report of the World Commission on Environment and Development: Our Common Future" from 1987; sustainable development means meeting the needs of today through development that won't cripple us tomorrow. The significance of the report's message was that it stated the importance of environmental responsibility alongside with businesses, as well as society's, need for growth. Today, more than 25 years after the report, we still need to become better at putting sustainable development into practice.

A way to do this is to emphasize the "pull mechanisms" that provide stimulation to sustainable development. Examples of these mechanisms are customer values/behavior, regulations,

SUSTAINABLE DEVELOPMENT NEEDS STIMULI

It's not a tall order, argues Staffan Movin, who calls for cooperation between society, academia and business.

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SUSTAINABILITY

direct investments and public/private partnerships. These areas need to be focused upon in governance, in business, as well as in research.

The role of customers

Customers are one of the most powerful "pull mechanisms" once you get them involved. In the late 80's, coffee filters where in focus of environmental attention. Customers could not understand the need for bleached filters as the bleaching had no affect on the products performance what so ever. In just a few months, the market shares for coffee filters shifted significantly, changing the market structure and unbleached filters became standard. This also changed who dominated the market. Even if changes in environmental behavior are not that sudden anymore, corporations must take a responsibility and start acting environmentally fair. Understanding customers and customer values are probably more important today in order to sustain an attractiveness of corporate offerings.

Customers are also important players in establishing an opinion that regulators have to adapt to. This has increased norms and regulations in most industries, often with perspectives that are aimed to gain a sustainable environment. Unfortunately many decisions as well as traditional lobbying

have often used environmental arguments in order to preserve the industry's domain, instead of opening up to sustainable development through stimulating cross-industry solutions. The focus has too seldom been on deregulation. Therefore both the industry and research should work to identify regulations and norms that are harnessing the possibility of development that is or might be essential for sustainability.

Sustainability – strategic potential

Throughout the years, the environmental perspective has grown in importance both due to customers and through societal interventions. This development will most certainly continue and could easily be used as prerequisites and framework for business strategies. If implemented properly, it should also provide a comparative advantage. But it is important to address sustainability in a strategic perspective instead of something the business "just should adapt to". In the 90's, I was on a sustainable business conference with senior executives from Swedish, German and Japanese car-manufacturers. Both Swedish and German executives stressed how much they focused on sustainable business. In contrast, the Toyota executive said they had no strategic possibility to provide an impact on sustainable issues for five more years. Today, few can argue that Toyotas strategic inclusive perspective has not had more effect than their competitors.

Today Swedish companies can benefit from Sweden's high level of knowledge and awareness in sustainable issues. There are interests from large international companies to place research-centers in Sweden, as they believe the centers can be stimulated by Swedish companies and research. If we can support these interests, then future direct investments will support and become stimuli for sustainable innovations.

What can make it happen?

There is a need to work proactively to stimulate sustainable development. Seed-money to companies or innovations will not make a great difference. Instead, government and governmental agencies must use interventions that are timed right. For example, the EU made a call some years ago concerning Green Buildings. This intervention was well timed with market demand. NCC, who participated in the program could thereby also benefit from taking a market leading position.

Perspectives that can provide the needed pull and increase the pace of innovation are public/private partnerships and innovation procurement. The latter is described as transformative procurement in the official investigation published last year (Upphandlingsutredningen – SOU 2013:12 Goda affärer: en strategi för hållbar offentlig upphandling). Society can, in other words, become a leader and take the role as an important pull mechanism to make sustainable innovations happen.

We must reflect that it is more than 25 years ago Brundtland published her report and we are still struggling on how to combine the development and societal responsibility. I believe we can act in a different way, to better stimulate innovation and change. What is required is the cooperation between society, academia and business. ■

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ARTWORK BY ANDREAS SCHRADER