

Topic 1: Expanding the Discussion of Sustainable Methods in International Companies

INTRODUCTION

Sustainability, as classified by the United Nations, spans environmental, social, and corporate governance principles, including supporting a precautionary approach to environmental challenges, undertaking initiatives to promote a greater environmental responsibility, and encouraging the development and implementation of environmentally friendly technologies¹.

Analysts have described that corporate sustainability became a major trend and have been moving to become the norm in recent years². This being as virtually all of the world's largest companies now issue a sustainability report and set goals; more than 2,000 companies have set a science based carbon target; and about one-third of Europe's largest public companies have pledged to reach net zero by 2050.³ The discussion around sustainability has often been framed around ESG (environmental, social, and governance) standards. According to recent studies, sustainable business models could open up economic opportunities worth at least twelve trillion dollars and creating up to 380 million jobs per year until 2030.⁴

TOPIC HISTORY

The UN has hosted COP submits with a recent one being COP26 in Glasgow where there was clearly progress in terms of what action countries will commit to but the actions are inadequate for the current scale of climate change and global climate action required.⁵ These agreements will all for the hold of warming to 1.8 degrees Celsius which is better than the expectation before the conference but these commitments lack an enforcement mechanism while emissions continue to rise.⁶ This creates a gap between science and governmental policy which creates an opportunity for corporations to take a greater role and assume more responsibility to address the global impacts of climate change.

¹ The importance of sustainability in international expansion. (2018, October 5). *Galvin Locations*. <https://www.galvininternational.com/resources-news/the-importance-of-sustainability-in-international-expansion/>

² Winston, A. (2021, December 27). Sustainable business went mainstream in 2021. *Harvard Business Review*. <https://hbr.org/2021/12/sustainable-business-went-mainstream-in-2021>

³ *ibid*

⁴ Sustainability. (n.d.). *ICC - International Chamber of Commerce*. Retrieved February 28, 2022, from <https://iccwbo.org/global-issues-trends/responsible-business/sustainability/>

⁵ Winston, A. (2021, December 27). Sustainable business went mainstream in 2021. *Harvard Business Review*. <https://hbr.org/2021/12/sustainable-business-went-mainstream-in-2021>

⁶ *ibid*

There is also the United Nations Global Compact which is the world's largest corporate sustainability initiative.⁷ The mission of the UN Global Compact is aiming to mobilize a global movement of sustainable companies and stakeholders to create the world we want.⁸ The UN Global Compact supports companies to: do business responsibly by aligning their strategies and operations with ten principles on human rights, labor, environment, and anti-corruption; as well as take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.⁹ Focus areas for this initiative include environment, social, governance, SDG integration, sustainable finance, and supply chain.¹⁰ However, there is a UN report on the private sector released by UN Global Compact found that the majority of companies involved in the Compact are not doing enough to help bring about the UN's 2030 Agenda for Sustainable Development.¹¹

CURRENT SITUATION

In the last few years, several large companies have recently announced climate pledges, environmental goals, social responsibility initiatives, and other sustainable initiatives.¹² This was done with the specific goal of attracting customers and creating a positive reputation around their brand.¹³ Some specific examples include Amazon, Apple, Clorox, Dell Technologies, and Salesforce.¹⁴ Amazon specifically launched a two billion climate pledge fund aimed at investing in companies that build products, services, and technology to decarbonize the earth.¹⁵ Apple has also committed to being 100% carbon neutral in their entire business including supply chain and product life cycle by 2030.¹⁶ There have also been simpler acts by companies in other sectors such as Clorox who have committed to making 90% of their product packaging recyclable.¹⁷

There has also been described as having unclear understanding of ESG and how companies should be utilizing and interacting with these ideas and vague standards. In an attempt to resolve this, regulators and watchdogs will continue to develop standards for companies to

⁷ *What is the un global compact | un global compact.* (n.d.). Retrieved February 28, 2022, from <https://www.unglobalcompact.org/what-is-gc>

⁸ *ibid*

⁹ *ibid*

¹⁰ *ibid*

¹¹ *Business sector still far from reaching sustainability goals, UN report shows, 20 years on from landmark summit.* (2020, July 4). UN News. <https://news.un.org/en/story/2020/07/1067662>

¹² Newman, D. (n.d.). *How leading global companies are using sustainability as a market differentiator.* Forbes. Retrieved February 28, 2022, from <https://www.forbes.com/sites/danielnewman/2020/07/24/how-leading-global-companies-are-using-sustainability-as-a-market-differentiator/>

¹³ *ibid*

¹⁴ *ibid*

¹⁵ *ibid*

¹⁶ *ibid*

¹⁷ *ibid*

follow.¹⁸ The IFRS foundation, which is the body that sets financial reporting standards, announced the formation of the International Sustainability Standards Board (ISSB) to develop disclosure standards.¹⁹ This will allow for increased harmonization of how companies report on their impacts and assess the environmental and social issues that are applicable to their corporations.²⁰

DIRECTIVE

Implementing a sustainable business model offers more opportunities by opening or even creating new markets, and reaching new customer bases. A mechanism for beginning to address and develop sustainable solutions is to start a dialogue with stakeholders on how the process should be carried out, how it should be measured, and how its results should be reported on.²¹

Some additional important considerations for the development of sustainable practices in business include taking socio-cultural contexts into consideration may constitute a strategic and influential driving force to corporate sustainability; the strengthening cultural aspects of corporate sustainability may push the innovative capacity for business model evolution.; as well as highlighting comparative advantages of sustainability-oriented manufacturing and branding favors the identification of business cases for sustainability.²²

¹⁸ Winston, A. (2021, December 27). Sustainable business went mainstream in 2021. *Harvard Business Review*. <https://hbr.org/2021/12/sustainable-business-went-mainstream-in-2021>

¹⁹ *ibid*

²⁰ *ibid*

²¹ The importance of sustainability in international expansion. (2018, October 5). *Galvin Locations*. <https://www.galvininternational.com/resources-news/the-importance-of-sustainability-in-international-expansion/>

²² Gerner, M. (2019). Assessing and managing sustainability in international perspective: Corporate sustainability across cultures – towards a strategic framework implementation approach. *International Journal of Corporate Social Responsibility*, 4(1), 5. <https://doi.org/10.1186/s40991-019-0043-x>

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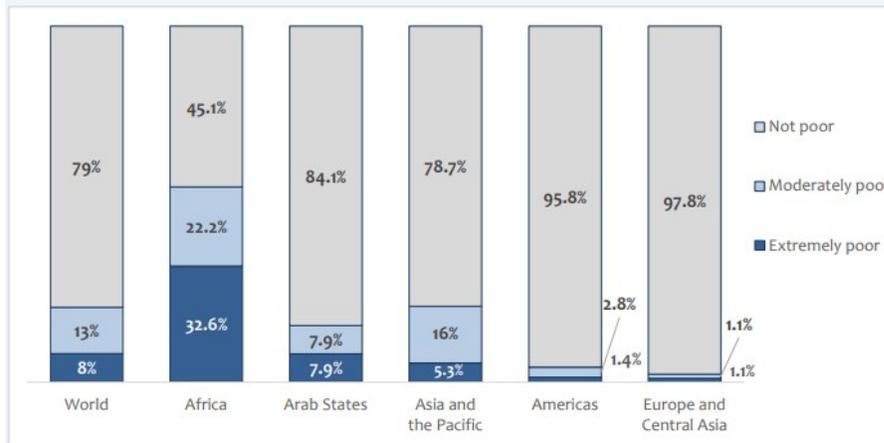
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Topic 2: Reducing Poverty and Promoting Economic Inclusion Through Job Creation

INTRODUCTION

Despite a nearly twenty percent drop in the population in poverty since 2000, 8.6% of the world lives on less than \$1.90 a day and one in eight people remain in poverty as of 2018.¹ Simply having a job does not alleviate this burden either as 21% of those employed globally in 2018 were moderately or extremely poor. The working poor population is significantly

Employment distribution by economic class, for the world and by region (2018)



Source: ILOSTAT, ILO modelled estimates, November 2018.

Note: All statistics presented by region in this brief refer to the classification by region used for ILO modelled estimates, available in ILOSTAT.

Figure 1: Global Statistics for Working Poor by Geographic Region

concentrated in Africa where 54.8% of the working population is classified as poor and 32.6% are in poverty. The rest of the world has lower percentages of working poverty with it being nearly nonexistent in the Americas and Europe and Central Asia.²

These numbers have been exacerbated by the Covid-19 Pandemic with the poorest 20 percent of the world having a 6.7%

decrease in pay in 2021. Furthermore, this has created a disparity between the richest and poorest with the richest only seeing a 2.6% decrease in pay. Poverty was projected to hit a low of 7.8% in 2021, but due to the pandemic, it rose to 9.1%.³

Despite these barriers to ending poverty, the number one tactic to ending poverty is still to provide jobs that lead to an increase in income, particularly as the world emerges from this global health crisis. All nations that have experienced a decrease in impoverished populations have done so during times of economic growth, but the deciding factor in how much reduction occurs is the number of jobs formed by the nation during the growth. Nations with little to no job creation have small reductions in poverty, but nations with significant job creation experience a much larger reduction in poverty. Those with job creation have seen a quadruple in the percent of poverty reduction to the percent of GDP increase for the nation.⁴ Therefore, foundations must be laid for job creation globally to reduce poverty everywhere.

¹ *Poverty | Data.* (2011). Worldbank.org. <https://data.worldbank.org/topic/poverty>

² *The working poor or how a job is no guarantee of decent living conditions A study based on ILO's global estimates of employment by economic class I.* (2019). https://ilo.org/wcmsp5/groups/public/---dgreports/---stat/documents/publication/wcms_696387.pdf

³ *COVID-19 leaves a legacy of rising poverty and widening inequality.* (n.d.). Blogs.worldbank.org. <https://blogs.worldbank.org/developmenttalk/covid-19-leaves-legacy-rising-poverty-and-widening-inequality>

TOPIC HISTORY

The International Labour Organization has been addressing unemployment since its first session in 1919. One of the first commissions the ILO established in its first session was the Commission on Unemployment.⁴ The ILO has focused resolutions on unemployment in many sectors including maritime workers, young people, and women.⁴ Additionally, the ILO adopted unanimously the Global Jobs Pact of 2009 which focuses on promoting job creation in countries during economic recovery. This pact encourages countries and regions to maintain labor standards and use support from private businesses and other governments to bring jobs that not only help the economy recover but also improve the quality of life of the people living there. It was prompted by economic crises at the time that were threatening to grow poverty and reverse efforts made to decrease poverty worldwide.⁵

The ILO has also conducted many studies to collect data on unemployment and the impacts of job creation. This data collection began with the first session of the ILO, having a resolution passed specifically for tracking unemployment.⁴ This data then influences the resolutions the ILO brings forth. For example, the Global Jobs Pact included plans for data collection on many factors including job creation levels and programs for protecting workers. This data has been directed to be used by the ILO for future projects.

Before the Covid-19 Pandemic, the ILO efforts seemed to be working as the global poverty rate had

consistently declined for more than twenty years, even during the global economic recession of 2008. The pandemic hitting in 2020, greatly disrupted this progress however, and left an additional 75-95 million people in poverty than originally projected for 2022.¹ For those already in poverty, it has pushed many further into their financial struggles. This is why immediate action is necessary as the world exits this crisis. It is a prime time for establishing an economy that properly works to lift all members of society into financial stability.



Figure 2: Workers harvesting crops from fields. Source: Dennis Jarvis/Flickr

⁴ International Labour Organization. (2015, November 23). Resolutions adopted by the International Labour Conference (1919 - 2019). Retrieved August 15, 2022, from https://www.ilo.org/global/about-the-ilo/how-the-ilo-works/departments-and-offices/jur/legal-instruments/WCMS_428590/lang--en/index.htm

⁵ *About the Pact (Global Jobs Pact)*. (2015). Ilo.org. <https://www.ilo.org/jobspact/about/lang--en/index.htm>

⁶ *Recovering from the crisis: A global jobs pact* [Review of *Recovering from the crisis: A global jobs pact*]. (2009, June 19). UN ILO. https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_108456.pdf

⁷ *More than half a billion people pushed or pushed further into extreme poverty due to health care costs*. (n.d.). Wwww.who.int. <https://www.who.int/news/item/12-12-2021-more-than-half-a-billion-people-pushed-or-pushed-further-into-extreme-poverty-due-to-health-care-costs>

CURRENT SITUATION

The pandemic has drastically changed the outlook for poverty in the near future. The World Health Organization, half a billion people entered poverty or experienced worse poverty due to health costs that they could not pay, and the organization predicts this number will continue to grow with the effects of the pandemic.⁷ In the US alone, three million additional people are unemployed compared to before the pandemic, and approximately 30% of adults cannot cover all their basic expenses.⁸ Globally, 112 million less jobs are available than just before the pandemic started according to the ILO.⁹ These effects are felt similarly throughout the



Figure 3: Worker cleaning car during Covid-19 Pandemic. Source: GaiBru Photo

world right now, especially among the poorer populations.

The pandemic has also posed a threat to the Sustainable Development Goals of eliminating poverty and providing decent work for all.⁸ With unemployment and poverty on the rise, meeting these goals by 2030 have been majorly set back. Current projections have 588 million people in extreme poverty in 2030, an additional 50 million people compared to pre-pandemic projections. The additional poverty will also be concentrated in already poor countries particularly in Africa,

such as Nigeria where poverty levels are predicted to be 112 million people in 2030, an additional 16 million from before 2020.¹⁰

Plans have also been disrupted from previous resolutions. Much of the recent resolutions on job creation and poverty reduction pull from pre-pandemic progress and strategies. While some may continue to work, new challenges face these plans as the pandemic has changed the way many live their lives.⁸ This means new methods for achieving the same goals must be produced.

The short-term recovery of the economy in some countries during the first half of 2022 is not a totally positive sign either. Due to the significant inflation, many are facing financial instability. Additionally, some developing countries are seeing employment rates continue to drop and handling hefty financial burdens from other nations. Those who still have jobs are not being paid as much as before the pandemic even in places seeing economic growth.¹¹ The impacts of the pandemic on job creation and retention are far reaching and persistent unless action is taken to intervene.

DIRECTIVE

Compose solutions to the current impacts the Covid-19 Pandemic has created for the global job market. Collaborate to identify areas of the economy and groups of people who should be emphasized in new initiatives for job creation to create more equal infrastructure. Promote the reduction of poverty in accordance with the first Sustainable Development Goal particularly in terms of providing jobs that pull people out of poverty. Address specific challenges countries and the world have been facing as they attempt to recover from the pandemic. Focus on especially vulnerable groups to economic disruption such as youth, women, and the disabled. Pass resolutions that will propel the world towards its Sustainable Development Goals and foster a more inclusive economy for everyone.



Figure 4: Collaborative Work. Source: Raconteur

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