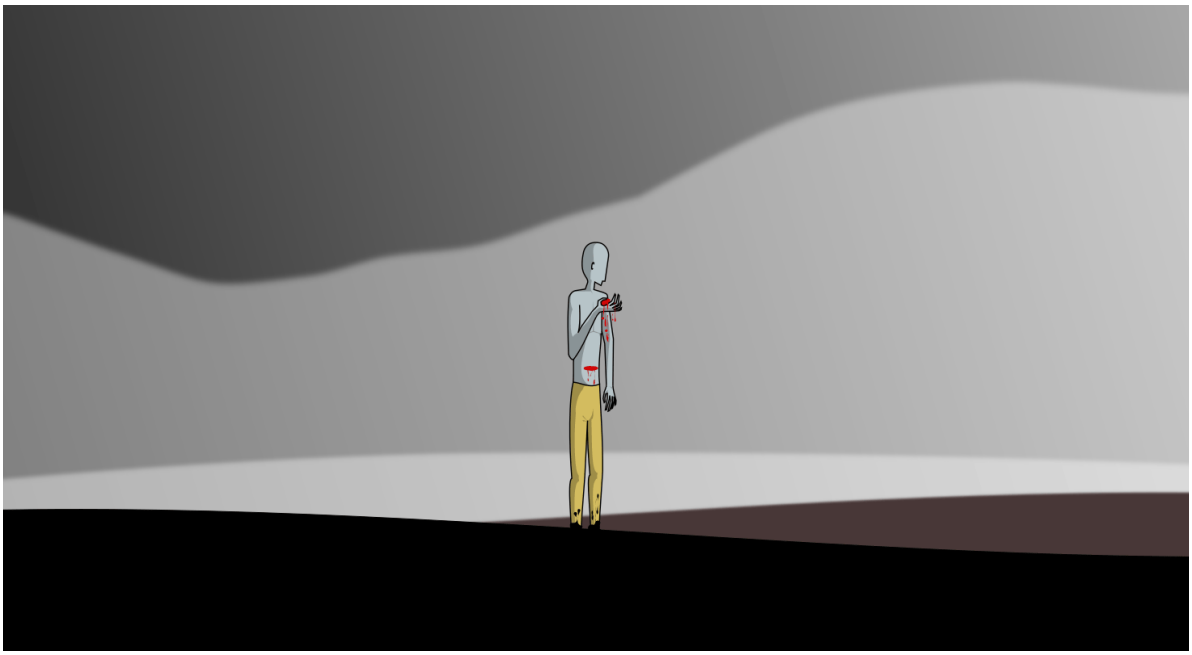
THE 2030 AGENDA AS A BLUEPRINT

Covid-19: A Catalyst of Conscience and a Wake-Up Call for Achieving the SDGs

Carles Navarro



What will we be left with when we have used all of the Earth's natural resources? As the author of the text says, "there is no unlimited growth in a limited world. Illustration: "Devour oneself", by Fernando Prado

COVID19, and all of the variations thereof, has been one of the most frequently used hashtags over the last six months. Its prevalence reflects a truly exceptional circumstance: never before, even during the two world wars, has the entire planet been faced with the same challenge. Although this challenge has come at a time when, according to Hans Rosling, the author of *Factfulness* [1] humanity has achieved the highest level of progress in all of its history, this progress cannot hide the fact that many parts of the planet are severely deprived. According to Rosling's theory, a situation can still be bad, yet at the same time also be improving. Now, however, the pandemic means there is a risk of this progress being dramatically reversed due to the economic, social and health-related crises that are unfolding simultaneously.

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The lockdowns, which have been lifted for now but are looming threateningly in our immediate future, have unexpectedly resolved the dilemma between health and the economy. Millions have sacrificed their individual financial wellbeing so that many more could save their lives. Sadly, this sacrifice has not always been put to the best use: thanks to their courageous management of the crisis, a number of countries have suffered and are now starting to rebuild, despite the inevitable relapses; meanwhile, other countries, such as the USA and Brazil, have left their people defenceless and failed to use that sacrifice to save the economy. As a result, the gap between the better world that was envisaged in 2015, when the United Nations proposed its Sustainable Development Goals (SDGs), and the deadline of 2030 that was set by the UN for achieving those goals, is now less of a gap and more of an abyss. We now lag even further behind, and there are only ten years left. The window of time for achieving the SDGs is closing fast: we have ten years in which to rebuild the virus-ravaged economy, and ten years —just a single decade— in which to effect a strategic shift in our approach to preserving the planet before it becomes too late.

A short while ago, Bill Gates wrote the following on his personal blog: “Covid-19 is awful. Climate change could be worse” [2]. The climate emergency —the only term that does justice to the enormity of the problem— is truly the elephant in the room. It is an insidious threat, one which compromises our present and future and those of the coming generations: however, because it does not fill the intensive care units with patients, it only makes the headlines when there are wildfires, droughts or catastrophic floods. Nonetheless, the pandemic and the climate emergency do have one thing in common: in both cases we have to overcome them together, because if just one person is left behind or abandoned to their fate, then we all lose the fight.

The ecological deficit remains

On 22 August 2020 the world once again consumed more resources than the planet is capable of regenerating during a calendar year, according to the calculations of the Global Footprint Network [3]. From now until the end of the year, we will be exhausting the planet’s reserves faster than they can be replenished; moreover, we are doing so at a rate equivalent to 1.6 planets’ worth per year.

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> progress towards the decarbonisation goals for 2030?

However, owing to the slowdown caused by Covid-19, this threshold arrived three weeks later in 2020 than it did in 2019. The pandemic has served to reduce humanity's ecological footprint by 9.3% between 1 January and the date of the so-called "Overshoot Day" for 2020. In terms of achieving the SDGs, if we look at number 13 (Climate Action), the news is undeniably positive, albeit temporary. However, if we look at numbers 8 (Decent Work and Economic Growth) and 10 (Reduced Inequalities), the price paid is simply unacceptable. There is a worrying question that emerges from this calculation: if, after halting a large part of the world's economic activity for three months, we have achieved only a trifling reduction in our ecological footprint, what will have to be done in order to make progress towards the decarbonisation goals for 2030, which many experts believe will require an annual reduction in emissions of 8% or 9% over the next ten years? Obviously, conventional measures will not be sufficient. It is not enough to simply stop; we have to start acting in a radically different way.

Cooperation or extinction

The key concept is cooperation, which —although it lies at the heart of SDG 17 (Partnerships for the Goals)— is perhaps the most undervalued of all. The pandemic has made us painfully aware that global problems require global cooperation on a large scale, as is currently occurring with the research into treatments and vaccines for Covid-19. No company, city, society, country or economic bloc has the capacity to face the dual challenge of the pandemic and the climate emergency alone. So does this mean the situation is hopeless? Not quite. We can find a precedent, perhaps the only one in recent history, in how the world successfully tackled the fearsome issue of the hole in the ozone layer. Even today, the Montreal Protocol, which was signed in 1987, represents the only initiative in which 196 countries (plus the European Union) came to an agreement: in this case to limit the use of the chlorofluorocarbon-based propellants that were destroying the ozone layer and to gradually replace them over a period of decades.

Just 14 years passed between the presentation of the first scientific evidence, in 1973, and the signing of the universal agreement. In a recent essay, Noam Chomsky spoke of the stark choice between "internationalism or extinction" [4], and he is sceptical of society's ability to make its way out of this dead-end street. The hole in the ozone layer had the virtue of providing ideal material for sensational news headlines, as it could be photographed and everyone understood what would happen if we were unable to close it. Unfortunately, the climate emergency does not possess those attributes, and therefore provides fertile ground for deniers. However, what *is* clear is that a global agreement is possible, and that we must achieve one without waiting for the planet's deterioration to become irreversible.

Political cooperation: an oxymoron?

In politics, cooperation is a risky activity. Owing to the lack of precedents at the global level, governments around the world —and especially those in the West— have found it very difficult to formulate an effective response to the pandemic. Many people feel that the tacit social contract, in which the population was subjected to a lockdown in order to buy governments enough time to develop a sound strategy for tackling Covid-19, has been broken. In many cases, these strategies have not been developed. In many countries, disillusionment on the part of citizens, allied to ferocious and partisan criticism from opposition parties, has led to a loss of trust in the ruling classes; in turn, this has gradually opened the door to populists, for whom the crisis represents an ideal opportunity to gain supporters, even in societies with a long-standing democratic tradition. However, one might hope that the evident incompetence of those governments around the world that have taken a populist approach will act as a catalyst of change and promote a shift towards more sensible policies, once the people realise that there are no simple answers to the serious problems that are facing them. One must also hope that the political class, in light of the magnitude of this challenge, will lift its gaze up from the short-term objective (i.e. the next election) and do what it is supposed to do: build consensus, despite the existence of legitimate differences; allow the government to take action; set an example of how to behave; and prioritise effective, professional management above all else. Only then will the political class regain society's trust, although we should note that this is never guaranteed: Winston Churchill, for example, lost the general election after leading his country to victory in the Second World War.

Cooperation must change

Fortunately, in the corporate world, the situation is different. What we refer to as "doing business" is in fact an act of cooperation that takes place along the full length of complex value chains. Cooperation (albeit self-interested) between parties is an efficient mechanism that enables the harmonisation of corporate objectives, even though these objectives are often in legitimate competition with one another. Every example of success in business owes its existence to the fact that all of the parties involved received a tangible benefit; this benefit may have been large, or it may have been small, but in any case it was sufficient to validate the transaction and continue the process. Advancement in business is underpinned by thousands of "win-win" situations that occur every day, unless of course we are talking about monopolies or oligopolies. For this reason, management of the pandemic on the part of large and mid-sized companies (i.e. those that have greater means and resources) has been largely successful, even in those instances where their activities have been severely affected.

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However, for small and some mid-sized companies in sectors that have been directly affected, such as tourism, hospitality, transport, retail and the automotive industry, the consequences of the pandemic are proving to be catastrophic. In many cases, these companies are the bedrock of many local and regional economies and their disappearance cannot be compensated for by the success of the big companies, whose ultimate purpose —at least in recent decades— has been the payment of dividends to their shareholders, rather than the creation of jobs. The pandemic has now held a mirror up to them, and the image it reflects is not at all flattering. “Shareholder value”, the corporate axiom of the last 30 years, must be replaced by societal value, interpreted in broad terms. Suppliers, clients, employees, shareholders, communities, centres of education and research, NGOs, civil society, and above all the planet: they must all form part of the roadmap for companies with a conscience; companies with a clear purpose that can be directly aligned with the achievement of the common good. Without a doubt, this would represent a dramatic change of direction: however, it must be done, despite all of the obstacles, and in the knowledge that society and consumers will know how to reward such a change.

Beyond the balance sheet

One of the obstacles that companies encounter when deciding how to focus their activities is the tyranny of the balance sheet and the quarterly presentation of results. The traditional criteria for assessing results are no longer useful: in a pandemic-stricken world, and with the climate accelerating towards disaster, we cannot allow profits from sales to continue to dictate strategic decisions. The quarterly balance sheet (if it is still necessary to publish one) must include the impacts on each of the relevant groups, and any assessment of the company’s success must be based on the positive changes it has helped to bring about for each of those groups. Within this context, corporate profits and growth for growth’s sake will become of secondary importance.

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Ultimately, we in the corporate world must shoulder a large part of the responsibility for the degradation of our environment, given that each product and service we generate is bound to a set of negative externalities: moreover, the costs of these externalities have not been paid by our consumers, because nobody incorporated them into the price. This now has to change. A cotton t-shirt made in Bangladesh and transported thousands of kilometres by sea (and which the clothing wholesaler buys for one euro and sells to the retailer for five, with the end consumer paying 20) is evidence that we are not compensating for the damage this production does to the forests, the oceans, and even the air we breathe. As consumers, we must become more aware of the real cost of economic activity, and join

forces to demand transparency. We have much more power than we imagine. Making informed decisions regarding our consumption is the first step in redirecting the economy towards the path of sustainability. Companies, for their part, must trust the fact that “doing good” can produce positive results. The common good must be our guiding principle, and the factor that serves to create alignment between companies and governments, as cooperation between the public and private sectors will play an indispensable role in enabling us to move forward.

Growth — without growth?

If companies are at least partially responsible for the disarray in which we find ourselves, then we must also take responsibility for finding solutions, even though these solutions will not be easy to implement because they involve postponing the satisfaction of our shareholders’ “needs”. At a general shareholders’ meeting in the not-too-distant future it must be possible to present a report in which financial results that are stable (or even down on the previous year) are viewed positively if they have had a smaller impact on the environment, have consumed fewer resources, have involved a more circular approach to business activity, and demonstrate that the company’s activities have benefited a broad section of society.

Many companies claim that they have already incorporated the SDGs into their strategy, but how many of them are willing to renounce growth for growth’s sake in order to benefit society? We must move on from the famous “spectator syndrome” described 50 years ago, which argues that it is very difficult to be the first one to help a victim when many of those around us are simply observing the scene. We all think that somebody else should be the first to act. Companies —and governments— with a conscience must act as though the future of the world depended entirely on each of them, and on each of us, because ultimately, that is indeed the case. The planet is that person who has suffered a serious accident on a lonely road, and apart from us there is nobody else around to help.

Reset or normality?

Is this utopian thinking? Perhaps it was, before the pandemic. Now, however, the pandemic offers us the chance to reset the system, to assess the effects of this large-scale forced experiment that has paralysed the global economy, and to draw conclusions from it that will be of enormous value for the immediate future of humankind.

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Einstein said that madness is doing the same thing over and over again and expecting different results; “business as usual” is therefore no longer a valid option. The corporate world must learn the lessons that Covid-19 is teaching us and draw the right conclusions, which will help to guide our business activities over the coming years towards the achievement of the SDGs. The pandemic has awoken many consciences, including some at the highest levels: however, understanding is one thing, while taking action is quite another. Although the gap between thought and action is enormous, we have seen that it is possible to take painful decisions in a short space of time. Greta Thunberg alerted us to this fact when she declared that “our house is on fire”. The sense of urgency is possibly one of the less urgent of our senses: that is why we need leaders, at all levels, to rise above the status quo and dare to say what many do not want to hear: that there cannot be infinite growth in a finite world.

A meme that was circulating some days ago on social media stated the following: “We cannot go back to normality — because normality was the problem”. Thus, we find ourselves in a “new normality” in which cooperation between companies, governments and countries is the default option, and we must take advantage of this opportunity. It is the second such opportunity we have had this century, following the great economic crisis of 2008. Perhaps it will be too late for us to have a third.

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