



Down to Business

Leading at Rio+20 and Beyond





Foreword



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Earlier this year, GlobeScan and SustainAbility launched a research-based collaboration aimed at making a lasting contribution to the field of sustainable development. Our work is divided into three phases: first, reviewing the work on sustainable development to date, second, taking the pulse of the current state of sustainability issues, and third, engaging next generation leaders to design solutions that enable us to achieve sustainable development in the near future.

This paper, published on the eve of the Rio+20 Earth Summit, represents the transition from the retrospective and diagnostic elements of phases one and two, to the engagement, action and delivery that will characterize phase three of the project. It offers an assessment of the present state of global opinion on sustainable development. The quantitative research comprising this assessment, made up of the global perspectives of citizens and sustainability experts, will be critical to building understanding and fostering better decision-making in the future. This “wisdom of the crowd” will allow us to go beyond anecdotes and present an accurate understanding of what people and experts think about sustainability leadership.

We asked the public and experts across the world their impressions on progress to date, who delivers best on sustainable development, who should lead, the most material issues and tools, and the road ahead. The highlights reveal that we have much work to do, but that there is an important role for the private sector to play.

Sustainability experts and citizens sharply rebuked national governments for poor performance on sustainable development in the last twenty years, but—and here’s the surprising part—society still expects them to lead. Also interesting, particularly for our core audience of next generation business leaders, is the expectation that the private sector can and must do more, singularly and in partnership, with government and others. Our polling recognizes the need for the private sector to play a proactive and positive role forging multi-sectoral collaborations; to catalyze policy that is competitively neutral and sustainability positive; and to ensure 21st century sustainability performance that stretches beyond eco-efficiency and puts social and economic challenges on par with environmental ones.

As Rio+20 unfolds, it is clearer than ever that sustainable development is both a collective challenge and opportunity—and if we don’t succeed, it will be our collective failure. This understanding should not beget finger-pointing, but rather lead to action, as the accountability and impact are universal.

Our sincere thanks goes out to our presenting sponsors BMW Group and SC Johnson, as well as our growing list of sponsors, Cisco, DuPont, Guardian Sustainable Business, Interface and Pfizer. A complete list of our sponsors and partners can be found on the back page of this paper.



Context

On March 1, 2012, GlobeScan and SustainAbility launched a collaborative and multi-faceted initiative to further engage the private sector in advancing and achieving sustainable development within a generation.

We marked the launch with a white paper, *Unfinished Business*, in which we chronicled the perspectives of sustainable development pioneers—leaders from across business, civil society and multi-lateral institutions who have been instrumental in setting the sustainable development agenda over the past two decades.

In this paper, we share the perspectives of over 1,600 sustainability experts from 117 countries, and nearly 25,000 members of the global public from 22 countries.¹ Through a series of surveys this spring, we gathered insights from these groups about their views of the state of sustainable development and perspectives on what is needed from business to accelerate progress.

Key Findings

Seven key findings emerge from our research:

1. We have made limited progress on protecting the environment and advancing economic well-being in the last 20 years, but we still have much more to do, and need to place greater emphasis on social equity in the years ahead. ([See page 3](#))
2. The primary reason we have not moved the sustainable development agenda forward is lack of political will. ([See page 5](#))
3. There is a leadership vacuum among institutions we expect to lead: national governments, the private sector, and multilateral organizations. Despite poor ratings of past performance, national governments and the private sector are still expected to lead the way forward on sustainable development. ([See page 7](#))
4. Our current economic system will need to change substantially in order to make significant progress towards sustainable development. ([See page 9](#))
5. Experts call for the emergence of a different, more collaborative type of leadership, believing multi-sector collaborations will likely provide the best opportunity for future progress on sustainable development. ([See page 9](#))
6. Private sector players can no longer afford to stand on the sidelines and ask others to drive sustainable development outcomes. We see three areas of particularly high potential for corporate leadership: partnerships, performance and policy. ([See page 11](#))
7. Making progress on material issues will be extremely challenging with very little low-hanging fruit or easy wins in sight. Few issues that are material for making progress on sustainable development are rated as easy to solve. ([See page 12](#))

¹ See the methodology section at the back of this report for details on the two surveys.



Introduction

In 1983, the United Nations General Assembly passed a resolution to establish what would become the Brundtland Commission. The resolution called for the creation of a team to focus on “long-term environmental strategies for achieving sustainable development to the year 2000 and beyond.” We can only imagine that the year 2000 seemed a long way off and a reasonable end point for reaching a state of “sustainable development.”

The celebration of a new millennium has come and gone and we now live in the “beyond” identified by the resolution. We are on a path to repair the ozone layer, nearly two billion people have improved access to drinking water since 1990, we are on track to cut poverty in half in 2015 as compared to 1990 baseline levels, and while addressing climate change has been challenging, climate science has become more robust and precise. Yet, despite bright spots of progress since we elevated sustainable development to the global policy agenda, there remains immense work to be done to balance the interrelationships between people, environment and development.

Through our analysis of the results of our expert and public opinion surveys, we provide insights on the wisdom of the crowd in terms of challenges overcome and outstanding in sustainable development.

Key Finding 1: Progress, but Significant Challenges Remain

Sustainability experts and the global public believe that since the first Earth Summit we have made progress—limited progress, but progress nonetheless—on two fronts: protecting the environment and improving economic well-being (*see Figure 1*).

Several policy changes by leading companies and countries contribute to a more positive outlook from the global collective on the environment. Environmental efficiency has been a natural first step for the private sector, where turning off the lights at night—and more intensive measures—result in near-term cost-savings. Meanwhile, leading polluters have made strides, for example, China’s energy intensity reduction targets; Brazil’s deforestation reduction policies (80% by 2020); and the US’ Copenhagen pledge to reduce greenhouse gas (GHG) emissions by 17% (from 2005 levels) by 2020. Collectively, however, these measures do not move us far enough fast enough. Most targets are relative, making incremental improvements upon baselines that were often too high from the start.

Economic wellbeing is perceived to have improved markedly since 1992, especially in emerging economies. The establishment of eight Millennium Development Goals in 2000 has spurred increased effort on issues of inclusion, poverty eradication, and access to education, among others. Due to



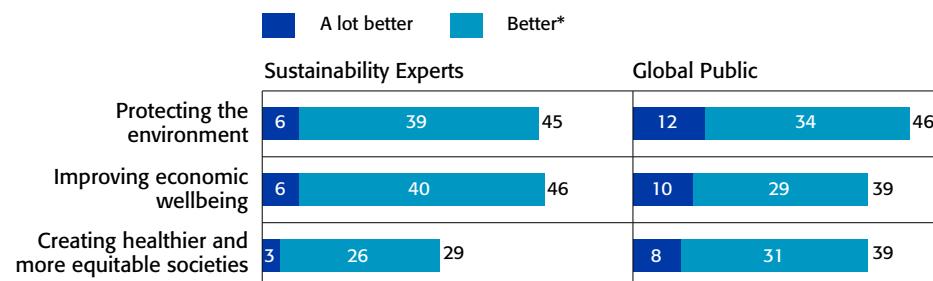
Sustainability experts and the global public believe that we still have a long way to go to create healthier and more equitable societies.

a combination of economic growth and concerted efforts to achieve these goals, the percentage of people living below the poverty line between 1990 and 2008 decreased from 43% to 24%, according to the World Bank. Thirty-one million more girls have been enrolled in primary school since 1999. And, primary school enrollment in sub-Saharan Africa has risen 18% in the last ten years.

Nevertheless, the positive trends above have been accompanied by increasing disparities, social inequity, and recurrent economic, financial, energy and food crises. Sustainability experts and the global public believe that we still have a long way to go to create healthier and more equitable societies. According to a 2006 study by the World Institute for Development Economics Research of the United Nations, the richest 1% of the world's adult population owns 40% of the world's household wealth, a total greater than the wealth of the world's poorest 95%.²

Figure 1: Progress Since 1992

Sustainability Experts vs Global Consumers, 2012



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*Rated as a "4" on a five-point scale, where "5" is "a lot better" and "1" is "became a lot worse."

²The World Distribution of Household Wealth uses data from 2000.



Key Finding 2: Lack of Political Will and other Barriers

Without political leaders willing to push change via policy, citizens and corporations are left to grapple with whether and when to change their own behaviors and standards—which makes the likelihood of meaningful change variable and slow.

We are held back by a combination of factors. Sustainability experts point to lack of political will as the primary reason we have not adequately moved the sustainable development agenda forward (*see Figure 2*).

Why aren't our political leaders able to pass proactive and sustainability-positive policy? While the short nature of election cycles often clashes with the long-term nature of sustainability goals, the platforms of democratically elected leaders generally reflect the electorate's priorities, so elected officials and "we the people" share accountability for inaction. But without political leaders willing to push change via policy, citizens and corporations are left to grapple with whether and when to change their own behaviors and standards—which makes the likelihood of meaningful change variable and slow.

The data from our expert stakeholder survey indicates another key barrier: vested interests in current approaches. Particularly during tough economic times, national governments and businesses are reluctant to do anything other than prime their economic engines. With growth rates in India and China slowing, the US' fluctuating unemployment rate, and continuing crises in the European Union—Spain just engineered the largest bank bailout in its history—it is harder to argue for investments in a green agenda which would require changing course.

Experts also cite the sheer complexity of the issues as a barrier. The issues are often systemic and require a deep, science-based understanding, as well as knowledge of the drivers and leverage points to shift the status quo. Also, consider that a complex issue, like climate change, with its many political strings attached, is often so contentious that it is not even up for discussion; some have speculated that this is why it is not listed explicitly as one of Rio+20's seven critical issues for debate, but rather acknowledged as a challenge related to some of the themes.



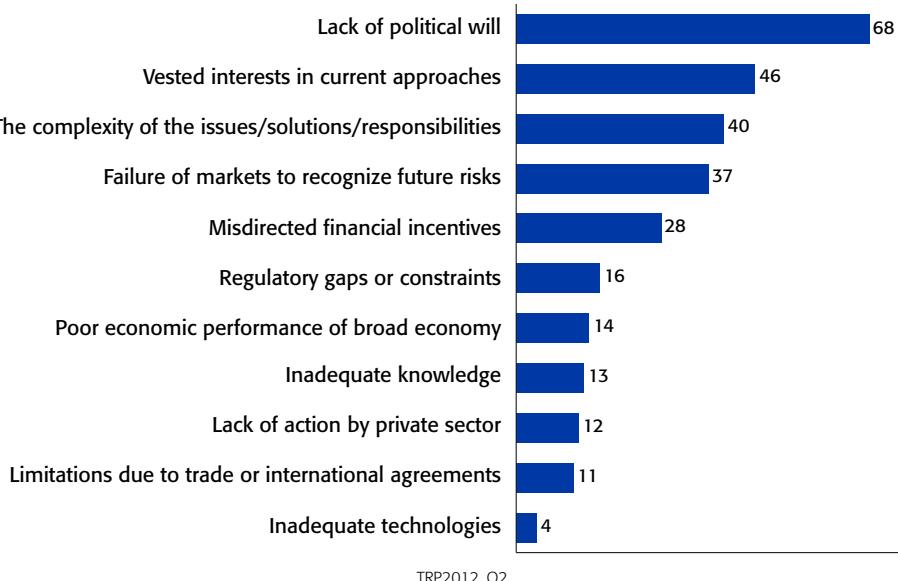
We have the technology and knowledge required to make progress; the political will is our scarcest resource.

The failure of markets to recognize future risks and misdirected financial incentives rounds out the top five barriers. By way of evidence, a 2011 *Fast Company* article states that less than 2% of Bloomberg terminal users search for information about environmental, social and governance (ESG) factors at investable companies.³ The majority of the marketplace does not yet understand (or possibly does not yet care about) the connection between sustainability factors and business performance and returns.

It is worth noting that “inadequate technologies” is viewed as a barrier by only 4% of experts. This is an important finding as it suggests we have the technology and knowledge required to make progress; the political will is our scarcest resource.

Figure 2: Barriers to Progress on Agenda 21

Sustainability Experts, 2012



³ Tullis, Paul. *Bloomberg's Push for Corporate Sustainability*. *Fast Company*. April 1, 2011.



Key Finding 3: Leadership Vacuum

Sustainability experts and the global public view national governments as the poorest performers on sustainability issues.

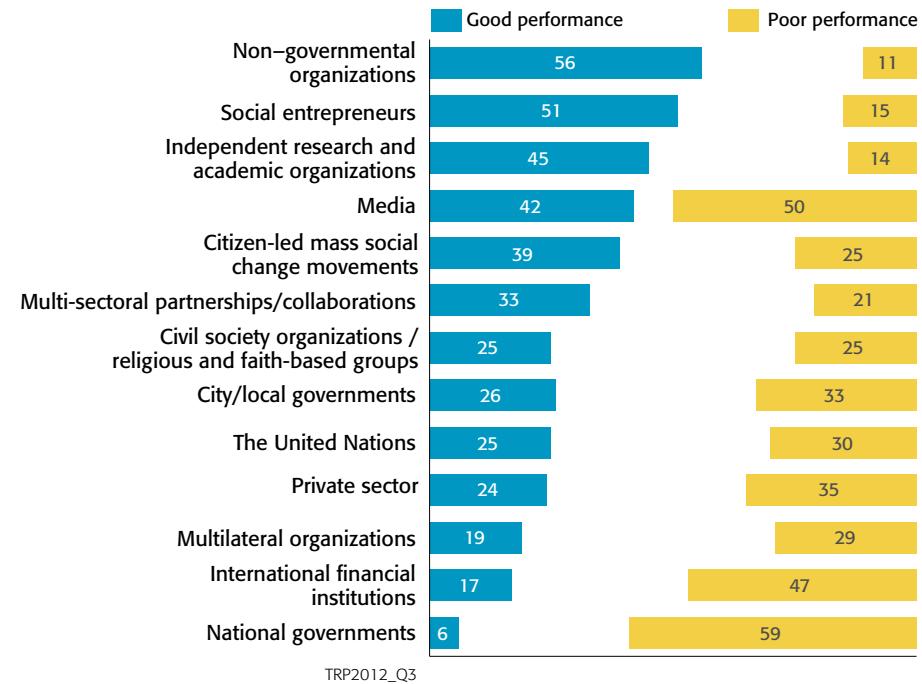
Our research reveals a clear leadership vacuum. The actors we might traditionally expect to lead the way—national governments, international financial institutions (IFIs), the private sector, and the United Nations—have not lived up to our expectations and have performed poorly in the eyes of sustainability influencers (see Figures 3 and 4).

Sustainability experts and the global public view national governments as the poorest performers on sustainability issues since 1992. Following close behind are global companies, national companies, the media and international finance institutions (IFIs), like the World Bank and the International Finance Corporation (IFC).

Sustainability experts have much more favorable views of the accomplishments of non-governmental organizations (NGOs), social entrepreneurs, research organizations / academia, and citizen-led mass social movements in terms of their ability to make progress on sustainable development. These grassroots actors often have proven more trusted, transparent, nimble or innovative than traditional leadership institutions. Scientists, it should be noted, get the highest performance ratings of all from the global public, perhaps because of the hope and expectation that science will provide the solutions to many challenges without the perceived politics associated with other actors.

Figure 3: Contribution to Sustainable Development Progress Since 1992 Earth Summit

Sustainability Experts, 2012



Note: On a scale from 1 to 5 where 5 is excellent and 1 is poor, "good performance" equals ratings of 4 and 5, and "poor performance" equals ratings of 1 and 2.

The white space in this chart represents ratings of "3" and "DK/NA."



Activities driven by grassroots actors give us hope that we are making progress and will succeed in building a sustainable world. Nevertheless, we still expect—and need—those considered traditional “power centers” to lead.

Figure 4: Contribution to Sustainable Development Progress Since 1992: Comparing Expert and Public Views

Ranking of Institutions,* Sustainability Experts vs General Public, 2012

	Sustainability Experts	Global Public
Good performance	NGOs	Research/academics/scientists
	Research/academics / scientists	NGOs
	Religious groups / churches	United Nations
	United Nations	Media
	Media	Religious groups / churches**
	Private sector	Private sector
	National government	National government

*Ranking is based on net performance, i.e. percentage of “good” minus percentage of “poor”

**Not asked in Brazil, Greece, and Spain

Activities driven by grassroots actors give us hope that we are making progress and will succeed in building a sustainable world. Nevertheless, we still expect—and need—those considered traditional “power centers” to lead. Despite poor perceptions of past performance, national governments face high expectations from sustainability experts who believe government remains the most appropriate actor to lead.

The private sector is the second-most frequently identified actor as one that should lead on sustainable development. Expectations remain high for business among both experts and the general public.



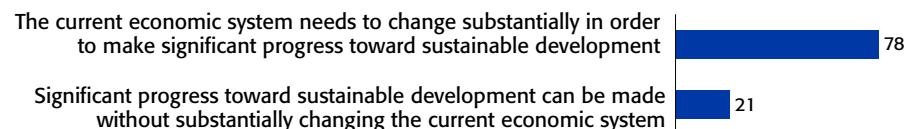
Key Finding 4: Need for System Change

Sustainability influencers strongly believe that our current economic system will need to change substantially in order to make progress (see *Figure 5*). Preparatory meetings and papers leading up to Rio+20 reveal several ways we might see our economic system change with time. Might we find a way to value natural capital? To broadly incorporate measures of well-being into our ideas of societal progress? To end perverse fuel subsidies?

Several companies are already innovating in anticipation of probable system changes. Some have found ways to calculate the relative impacts of their GHG emissions and water consumption across the value chain. Others have set targets to increase business growth while lowering their environmental impact. Companies that prove that a sustainable business is more successful than an unsustainable one; that long-term outlooks provide more return than short-term bets; and that plan ahead for resource constraints will benefit in the future.

Figure 5: Views on Global Systems

Sustainability Experts, 2012



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Key Finding 5: A More Collaborative Future

Sustainability experts feel strongly that multi-stakeholder collaborations provide an important structure to design systemic solutions to complex sustainable development challenges (see *Figure 6*). Earlier this year, UN Secretary General Ban Ki-Moon echoed this sentiment in a speech at the World Economic Forum in Davos, Switzerland: “Together, let us tear down the walls. The walls between the development agenda and the climate agenda. Between business, government, and civil society. Between global security and global sustainability. It is good business—good politics—and good for society.”

Civil society, esteemed in terms of performance to date, has a critical future to play also. Sustainability thought leaders (82%) endorse the idea that NGOs can be more effective in moving society forward toward sustainable development by working in partnership with business rather than by confronting business. And, in a complementary survey finding, they believe that one of the top two ways the private sector can contribute to society’s transition to sustainable development is by working with governments to establish regulations that support sustainable development.



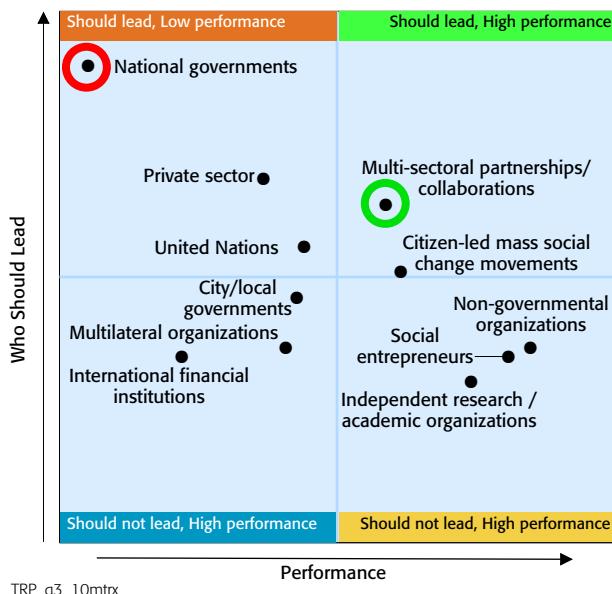
*Multi-sector
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Multi-stakeholder collaborations are rated close behind the private sector as having a key future leadership role to play. Such collaborations, between and among cohorts of companies, or across civil society, government and/or the private sector, rate high in the minds of sustainability thought leaders. In fact, when measuring all of the above-mentioned actors on their ability to perform compared to their ability to lead, multi-sector partnerships and collaborations emerge as the best opportunity for future progress on sustainable development.

The call for greater collaboration is clear. What is less certain is how multi-sector collaborations will be driven. Without a single leader or a forced regulatory mechanism, accountability and responsibility for launching and executing on a more collaborative future remains amorphous.

Could the first-movers who pursue and push collaborations gain new levels of influence? Why is collaboration emerging now as a way to solve sustainability challenges? How can we encourage new collaborations?

Figure 6: Who Should Lead vs Performance on Sustainable Development Progress
Sustainability Experts, 2012





Key Finding 6: Three Ps for the Future: Partnerships, Performance and Policy

As multi-national companies become more powerful, their capacity and unique global perspective demand they play a key role in driving action on sustainable development.

There are expanded opportunities and obligations for the private sector going forward. Far too often, the private sector has been content to sit on the sidelines of sustainable development, or worse, lobby actively against it. As multi-national companies become more powerful, with value chains that extend across hemispheres and time zones, their capacity and unique global perspective demand they play a key role in driving action on sustainable development.

As a first step, the private sector can begin to push the collaborations and partnerships referenced above, rather than being pulled or waiting to be forced through regulatory mechanisms. Collaborations that combine resources to address systemic challenges will be essential. Promising opportunities may be found within a company's value chain, between uncommon bedfellows from non-competitive sectors, or with direct competitors to create a more level playing field.

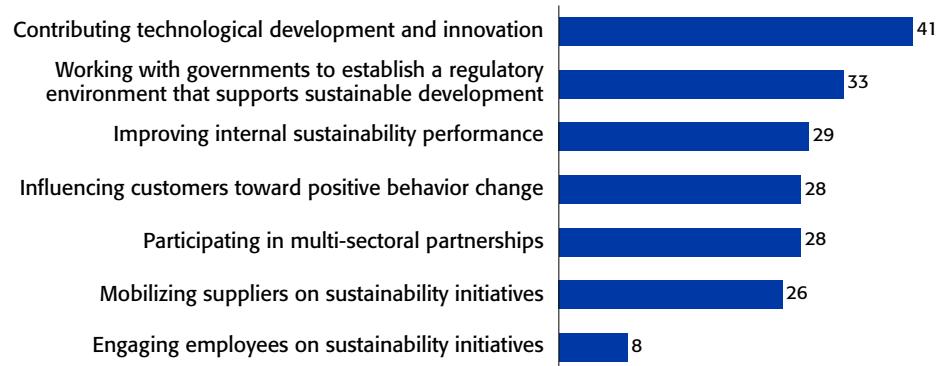
Second, the private sector should pursue 21st century sustainability performance with the rigor that it pursues profit and pushes innovation. When asked about the best way private sector companies can contribute to sustainable development, sustainability experts stated that companies have a key role to play by contributing technology development and innovation (see *Figure 7*). There is no doubt that leaders in the private sector have made strides in the realm of eco-efficiency in the last decade using technological innovation. These measures are often the starting point for many companies and have the most obvious impact on bottom lines—although we would like to see them set absolute targets rather than relative targets. Twenty-first century sustainability performers will recognize that the next big opportunity is meeting social and economic needs currently underserved by markets, as they have started to do with environmental challenges.

Third, rather than reflexively resisting new policy, business has an essential role to play in establishing governance mechanisms that are competitively neutral and sustainability positive. The World Business Council on Sustainable Development's *Changing Pace* initiative, launched in May 2012, provides a private sector perspective on the kinds of policies that will enable sustainable development. Two recent US-based initiatives also provide useful learning , USCAP and BICEP. In 2007, business and NGOs united to press



for clear climate policy through the U.S. Climate Action Partnership (USCAP). Although USCAP has been unable to deliver its specific objectives—some speculate that with so many industries at the table it has been hard to find common ground—we can learn from and improve upon the model. Another model to consider is Ceres' Business for Innovative Climate and Energy Policy (BICEP), a coalition that works with policy makers to pass meaningful energy and climate legislation.

Figure 7: Best Way for Companies to Contribute to Sustainability
Sustainability Experts, 2012



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Key Finding 7: **The End of Easy Wins on Material Issues**

When sustainability experts are asked to rate the priority of 17 sustainable development challenges for the next five years, creating equitable societies, providing access to clean water, reducing GHG emissions, ensuring food security, and improving resource efficiency rise to the top. Three of these issues fall under the banner of “social development challenges” and echo our earlier finding that experts believe we have not made enough progress on social issues. Reducing emissions and improving resource efficiency reflect urgency in protecting the environment to a greater degree than we have done thus far.

When thought leaders were asked about level of difficulty in making progress on these same 17 issues, mobilizing youth, increasing corporate responsibility, empowering women, resource efficiency, improving human health and improving citizen participation in sustainable development are viewed as relatively less difficult to address (*see Figure 8*).



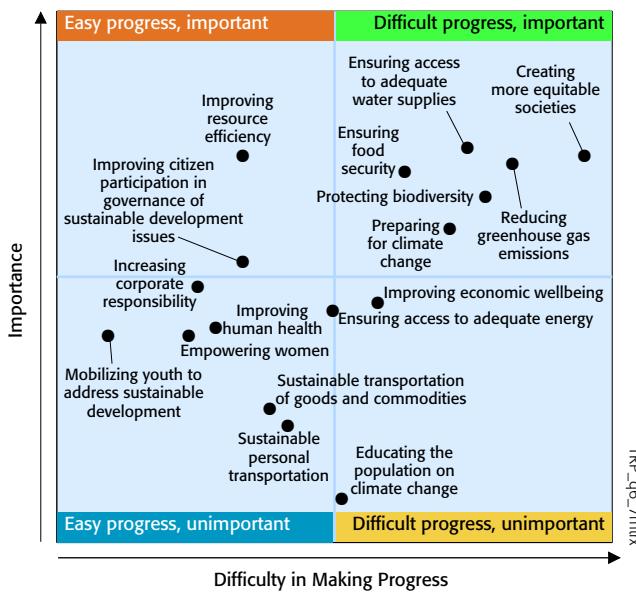
The challenging reality remains that the most important issues—climate, equity, biodiversity, water, food security—are also deemed among the most difficult.

Our research also reveals that there is very little low hanging fruit for those looking for easy wins. Only two issues that are highly material for making progress on sustainable development in the short term are rated as easy to solve: resource efficiency and improving citizen participation in governance of sustainable development issues. As we indicated above, the private sector has been proactive about eco-efficiency in the past two decades, and should continue to do so as a first step toward sustainability. Engaging citizens also appears as an easy, but important win. Critically, an engaged citizenry would help to overcome the primary barrier we identified early on: lack of political will.

The challenging reality remains that the most important issues—climate, equity, biodiversity, water, food security—are also deemed among the most difficult. Progress will require a great deal of coordinated and engaged effort over the coming years. The data provides additional rationale to support and incentivize partnerships to solve these tough challenges.

Figure 8: Importance vs Difficulty in Making Progress on Sustainability Issues

Sustainability Experts, 2012





An Eye Beyond Rio+20

We see a clear opportunity through pushing for partnerships, 21st century performance, and proactive policy.

A new paper published this month in the journal *Nature*, “Approaching a state shift in Earth’s biosphere,” finds that we are approaching a planetary-scale critical transition as a result of human influence. The authors warn of a planetary tipping point that could happen in a few generations.

Science reveals that the urgency to act is growing. But the deadlines for action vary. The Zero Draft document being negotiated leading up to Rio+20 refers to 2020 and 2030 goals. Ambitious, long-term targets are necessary, but we worry that planning for “beyond” will take away urgency today, just as we saw with the original resolution that launched the Brundtland Commission.

We believe that we must act now and focus our attention on this year and the next five thereafter, a period the World Business Council for Sustainable Development (WBCSD) refers to as the “turbulent teens” in their recent *Vision2050* report. The report, which envisions a liveable future by mid-century, identifies the turbulent teens as the short period of time between now and 2020 when we must establish certain must-have elements to pursue a positive path to a world of 9 billion people living well together in 2050. *Vision2050* highlights priority areas like putting a price on carbon, closed loop design, dissemination of technologies, and incentives for behavior change, to name a few. How can the private sector take action on these priority areas? We see a clear opportunity through pushing for partnerships, 21st century performance, and proactive policy.

Rio+20, whether it proves to be successful or not from an international governance perspective, provides new impetus for action, by refocusing attention and energy on an agenda that has become stale or lost urgency for many. With 50,000 people expected to attend, many of whom strongly believe in the need for sustainable development, Rio+20 provides momentum that we need, and can capitalize upon, to move the agenda forward.



Methodology

About the Public Opinion Survey

Representative samples of approximately 1,000 adults per country in 23 countries ($n=24,441$) were interviewed face-to-face or by telephone between December 2011 and February 2012. Questions were rated by half samples in all countries. Polling was conducted by GlobeScan and its research partners in each country. In Brazil, China, Indonesia, Kenya, and Turkey, urban samples were used. The margin of error per country ranges from +/- 2.9 to 4.9 per cent, 19 times out of 20.

About the Survey of Sustainability Experts

The findings are drawn from a GlobeScan / SustainAbility survey of sustainability experts across corporate, government, NGO, academic, research, and service / media organizations in 117 countries. From mid-April to mid-May 2012, a total of 1,603 experts were surveyed online by GlobeScan, SustainAbility and *The Regeneration Roadmap* partners—ICMM, UNEP, Civicus, WBCSD, World Bank, CCSR, and GLOBE. Participants comprise a highly-experienced respondent pool: 58% have more than ten years of experience working on sustainability issues; 31% have five to ten years of experience; 12% have three to four years of experience.



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What's Next?

GlobeScan and SustainAbility have embarked upon a collaborative, thought leadership initiative designed to offer a new path forward for achieving sustainable development within a generation, with a focus on how the private sector can improve sustainability strategy, increase credibility and deliver results at speed and scale.

Through global opinion polling, multimedia broadcast interviews, research and curated dialogues, we are exploring the past and present of sustainable development and crafting solutions for a better future.

A key event, the convening of the June 2012 Rio+20 Earth Summit, grounds our work in a larger global dialogue about the future of sustainable development. We look forward to seeing the formal and informal outcomes of the Summit—and we will do another round of polling after the Summit to gauge how sustainability experts and consumers respond—but believe that there will be much work to do after the Summit in the year ahead to jumpstart the action we need on the sustainable development agenda.

As part of this initiative we will begin a global engagement process in the fall of 2012 with a series of salon dialogues held in cities around the world. The attendees of our salons will co-create solutions to the most pressing private sector sustainability challenges including outlining 21st century sustainability performance models; redefining and exhibiting the collaborative leadership traits necessary in the next five years; and catalyzing effective sustainability-driven policy.

Learn more about us and the project, upcoming initiatives and events by visiting www.globescan.com, www.sustainability.com or www.theregenerationroadmap.com.



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