

SETTING THE SCENE

CSR AND DECENT WORK IN THE ERA OF SDGs

Prof.dr. Rob van Tulder,
March 2024





CONTENT



**[1] Organizing in a perfect storm:
What is at stake?**



**[2] Dealing with complexity:
Why the SDGs?**



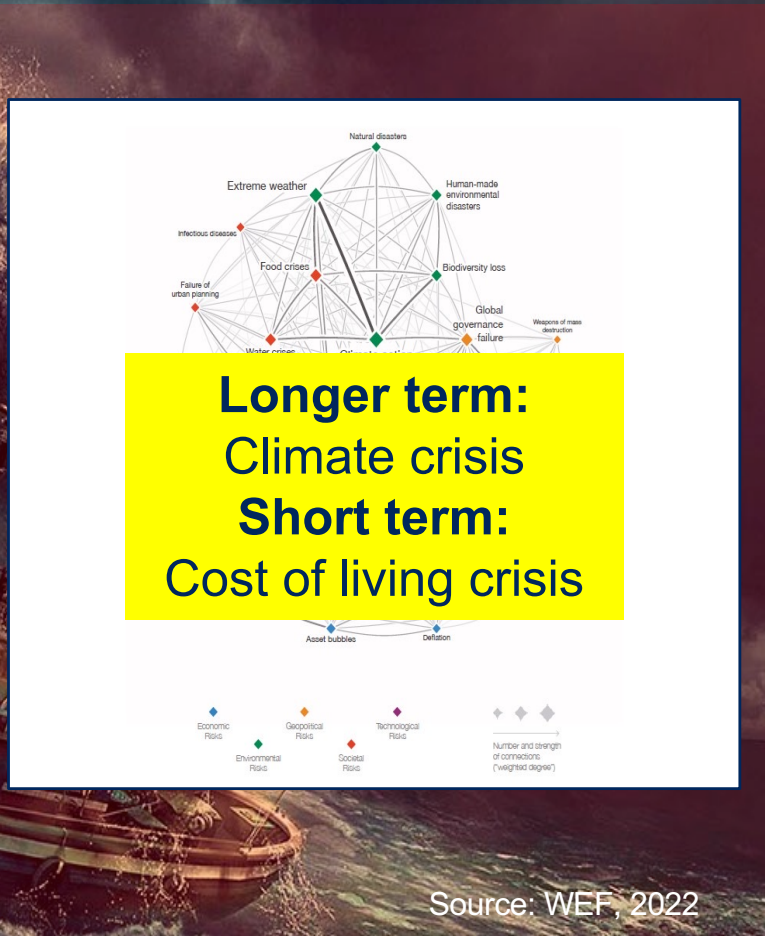
[3] What action to take: why living wage (and gender equality)?

A dramatic scene of a ship at sea during a storm. The ship is a large, multi-masted vessel, possibly a fishing boat or a small cargo ship, with its deck and superstructure visible. It is tilted slightly to the right, suggesting it is being battered by waves. The sea is dark and turbulent, with white foam from the waves splashing against the ship. The sky is dark and stormy, with a bright light source, possibly the sun or moon, breaking through the clouds on the right side, creating a strong contrast and illuminating the scene. The overall mood is one of intense danger and struggle.

**[1] ORGANIZING IN A PERFECT STORM
WHAT IS AT STAKE?**

Perfect storm “Cascade of crises, Poly-crisis”

Increasingly interconnected risks: what to prioritize?

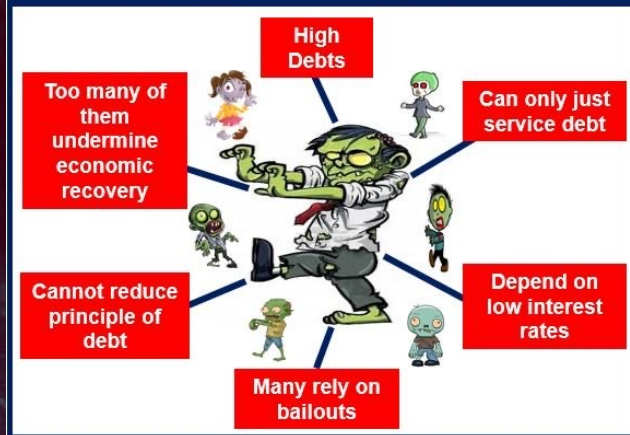


What is at stake?

Sustained crises are a sign of fragile societies

- “Fragile value chains”, ‘fragile financial systems’, fragile companies lead to new phenomenon:

Zombie Companies



- Leading to ‘zombie’ societies?

TINA:

There Is No Alternative
For systems change

- Platforms of opinion leaders are pushing: initiatives for a Regenerative society/great

Corporate statements:

“I cannot do business in a system that fails”

“We feel the pressure from everywhere to change”

“inaction is not an option”

pushing

TINA:
There Is No Alternative
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Corporate statements:
*"I cannot do business in a system
that fails"*
*"We feel the pressure from
everywhere to change"*
"inaction is not an option"

pushing

To the rescue?
A jungle of labels and private
initiatives....

The collage features a dense collection of logos and initiatives. At the top right, there is a logo for 'CERTIFIED SUSTAINABLE PALM OIL' with a palm tree icon and 'RSPo' below it. To its right is the 'RTRS' logo, which consists of a stylized green leaf and a circular arrow. Below these are several rows of smaller logos, including 'ftc', 'LocalHarvest', 'eco BIND', 'Green depo', 'eco milliontre', 'GREENFUEL', 'PLENTY glgreen', 'eco', 'UR', 'Crispy Green', 'K1', 'greenia', 'GAIAM green', 'we', 'planeteco', 'ecovillage', 'green rewards', 'ecoBLV', 'eSorozi', 'Recycle', 'Certified B', 'UL LISTED', 'NSF', 'US Competing Exporter of Choice', 'SGP', 'FAIRTRADE', 'profile', 'WaterSense', 'PEFC', 'QCS', 'SCS-CERTIFIED SUSTAINABLE PLANT', 'ups', 'Volkswagen', 'Carbon Neutral', 'SAVISON', 'ORGANIC', 'CCOF', 'VCS', 'Certified GREEN', 'SAFE', 'OREGON TILTH', 'PROTECTED HARVEST', 'Financials for living wage', 'WWF', and 'COP27' with a globe icon. At the bottom right, there is a logo for 'WE MEAN BUSINESS COALITION' with a stylized arrow graphic.

.... and of standards and initiatives.....

Leveraging the jungle's richness:
How to cut-out a resilient road?



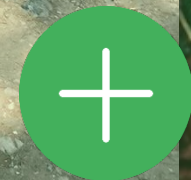
Negative route:

- Doom – awareness oriented
- Risk mitigation
- Compliance oriented
- Due diligence
- Reactive
- Do no harm principles
- Forecasting scenarios
- Preventing a race to the bottom



Positive route:

- Mission-driven
- Opportunities oriented
- Positive duties
- Doing good principles
- Proactive, investments
- backcasting scenarios
- Stimulating a race to the top



Stressing “do no harm” route



Initiatives:

- OECD Guidelines (due diligence), EU CSDDD
- UN Ruggie principles
- OECD BEPS initiative
- COP/Paris Climate Agreement
- RSPO/MSPO/ISPO
- ESG regulation
- India CSR law



Stressing ‘do good’ route



Initiatives:

- EU green deal
- ISO 26000
- EU CSRD
- UN Global Compact
- Capitals coalition
- B-Corps
- GRI4
- French ‘raison d’être’ law





**[2] DEALING WITH COMPLEXITY:
WHY THE SDGs (NOW MORE THAN
EVER)?**

<https://www.youtube.com/watch?v=RpoVmjMCm00>

Mitigating negative, while seizing positive routes.....
SDGs to the rescue = positive principles based approach



SUSTAINABLE DEVELOPMENT GOALS



<https://www.youtube.com/watch?v=RpoVmjMCm00>

Navigating in a turbulent world: PRINCIPLES-BASED



 **SUSTAINABLE DEVELOPMENT GOALS**



Why the SDGs?

2015 → a ‘happy confluence of factors’

HAPPY?:

- Smart positive change agenda
 - Multiple-stakeholder engagement
 - Vital role for private sector: \$12 tr. Investment opportunity
 - Support by 93% of all major companies
 - Support by all governments and major NGOs
 - Support from major business schools (including RSM!)
 - Positively formulated related goals and targets (that nobody could oppose): 17 Goals, 169 targets
 - Five principles: from “triple-P” to “quintuply P”
- Other agreements in the same year: Paris, Addis

CONFLUENCE?

- In 2016: not possible anymore → rise of populism
- IT IS THE ONLY FRAMEWORK WE HAVE



BUT..... IT GOES SLOW - NEEDED: A DECADE OF ACTION

2019: “Our world as we know it and the future we want are at risk. Despite considerable efforts these past four years, we are not on track to achieve the Sustainable Development Goals by 2030. We must dramatically step up the pace of Implementation” (SG Guterres - 2019)



2020: “Had we been further advanced in meeting the SDGs, we could better face this challenge - with stronger health systems, fewer people living in extreme poverty, less gender inequality, a healthier natural environment, and more resilient societies”

2022

'We are in the fight of our lives,' says UN chief at Cop27 climate summit - video



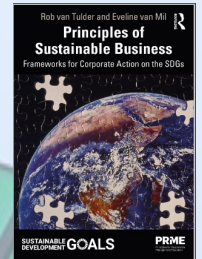
THE 2019-2024 PARADOX: SDG SCORES STAGNATE, BUT WE KNOW WHY AND WHAT TO DO



- Business Call to Action
- E-Handbook on SDG Indicators
- Future-Fit Business Benchmark
- Global Opportunities and Global Solutions Explorer
- Global SDG Indicator Database
- Human Rights Guide to the SDGs
- IISD SDG Knowledge Hub
- International spillover index
- SDG Academy
- SDG Action Manager
- SDG Ambition Benchmark Reference Sheets
- SDG Business Hub
- SDG Country Profiles

- SDG Dashboard
- SDSN
- SDGs Dashboard (iTechMission)
- SDG Essentials for Business
- SDG Financing Lab
- SDG Index
- SDG Interlinkages Analysis & Visualisation Tool
- SDG Knowledge Platform
- SDG-Learn
- SDG Learning Platform
- SDG Sector Roadmaps
- SDG Synergies
- SDG-Tracker
- SDSN Interactive Map and Country Profiles

- SDG Atlas (Worldbank)
- CEO Guide to the SDGs
- SDG Business Hub
- SDG Essentials for Business
- SDG Learning Platform
- SDG Sector Roadmaps
- Vision 2050
- SDG Compass
- WEF: Stakeholder Capitalism Metrics (SCM)
- WEF Strategic Intelligence
- Action networks for the SDGs
- and many more!



Harmonizing metrics: custodians! Reaping the Data Dividend



Champion custodians (>20 indicators)	OECD (21); World bank (22); FAO (22); UNESCO (22); UNEP (31); WHO (35);
Big custodians (10-20 indicators)	UNICEF (17); UN-Habitat (11); UNDRR (11); UNSD (11); UNODC (16); ILO (15);
Medium-sized custodians (6-10 indicators)	UNDP (6); UN Women (6); WTO (8); UNCTAD (8);
Topical custodians (<6 indicators)	IMF (4); IUCN (5); IRENA (2); IEA (4); DESA (5); CITES (2); UNFPA (4); CBD Secretariat (2); PARIS21 (3); UNWTO (3); OHCHR (5); ITC (4); ITU (5); IPU (2);
Focused custodians (1 indicator)	UNAIDs; national government; UNECE; IOM; ICAO; CIDS; Samoa Pathway; UNCCD; UN Ocean Agencies; Ramsar.

Early on in the SDG monitoring, 39% of indicators were classified as Tier III – meaning no internationally established methodologies or standards were available. By 2020 there were no Tier III indicators remaining.

The definitions of the tiers are as follows:

Tier I: Indicator is conceptually clear, has an internationally established methodology and standards are available, and data are regularly produced by countries for at least 50% of countries and of the population in every region where the indicator is relevant.

Tier II: Indicator is conceptually clear, has an internationally established methodology and standards are available, but data are not regularly produced by countries.

Tier III: No internationally established methodology or standards are yet available for the indicator, but methodology/standards are being or will be developed or tested.

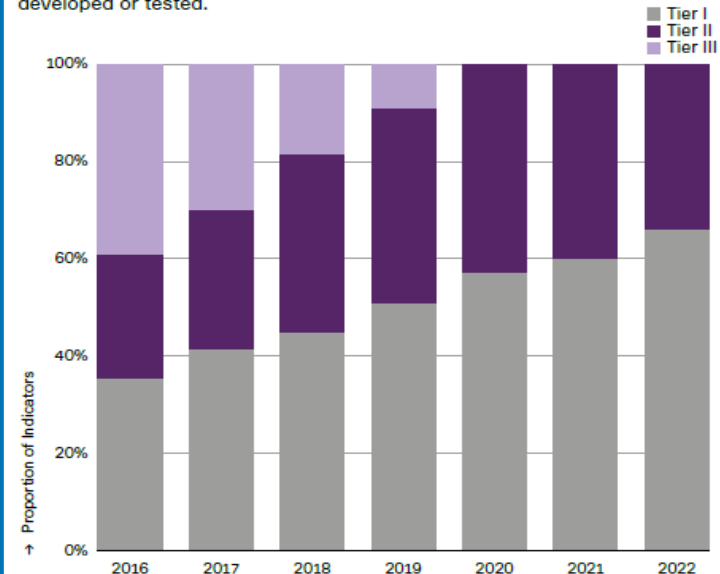


Figure 3.1: Proportions of SDG indicators classified as Tier I, Tier II, and Tier III between 2016 to 2022.

Harmonizing metrics: Living wage (164 countries and counting!)

WageIndicator.org
You Share, We Compare

Part of WageIndicator Foundation

search..

Salaries + Labour Law + About WageIndicator +

LIVING WAGES - JANUARY 2023 RELEASE

Get Access to WageIndicator's Living Wages for 148 Countries and 2,090 Regions

[See Plans and Pricing](#)

MINIMUM WAGE NEWS

- **Minimum Wage Increased in Suriname from 01 February 2023 - April 02, 2023**
- **Minimum Wage Increased in Mongolia from 01 January 2023 - April 02, 2023**
- **Minimum Wage Increased in Greece from 01 April 2023 - April 02, 2023**

STAY UP-TO-DATE

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Harmonizing policies: the relevance of Europe

Transforming our world: the 2030 Agenda for Sustainable Development



UNITED NATIONS
PARIS CLIMATE AGREEMENT
SIGNING CEREMONY
— 22 APRIL 2016 —



Sustainability
Related Disclosures
in Financial Services
SFDR



DRAFT EUROPEAN SUSTAINABILITY REPORTING STANDARDS

Cover letter



November 2022

EFRAG

HARMONIZING REPORTING: SDG INDEX AND DASHBOARD APPROACHES

Figure 2.7

SDG Index and Dashboards: Global, Regional and Subnational editions (2015-2022)

Global editions




Regional editions



Subnational editions



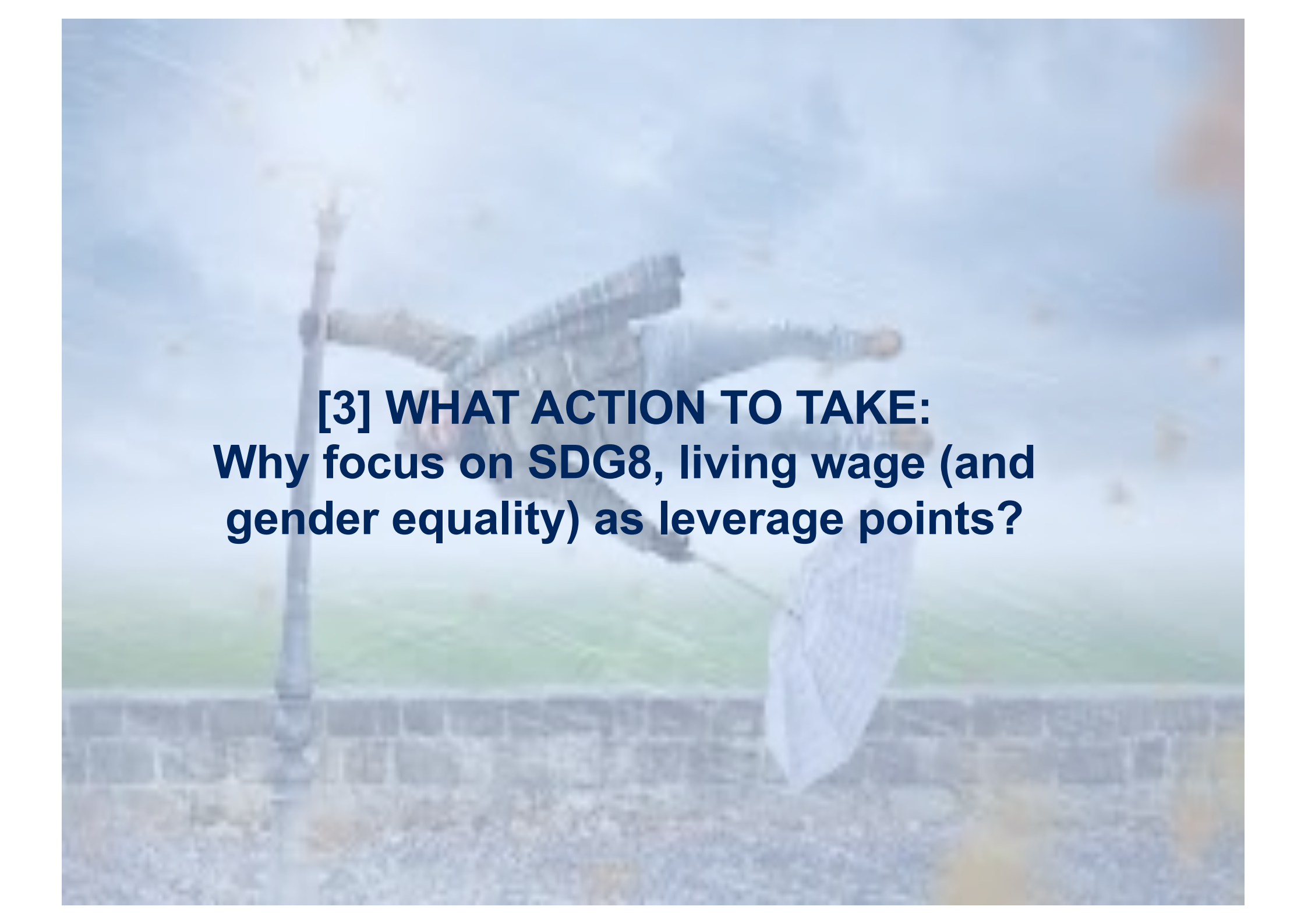


No Point Going Halfway

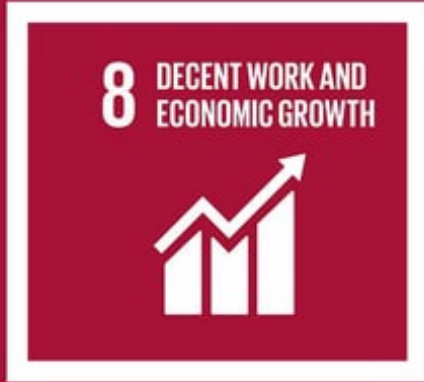


THE GLOBAL GOALS
For Sustainable Development

<https://www.youtube.com/watch?v=DdLqiTvFwJk>



**[3] WHAT ACTION TO TAKE:
Why focus on SDG8, living wage (and
gender equality) as leverage points?**



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all



IS IT

OR.....

OR.....→?

Decent work

Economic growth

Higher Economic growth

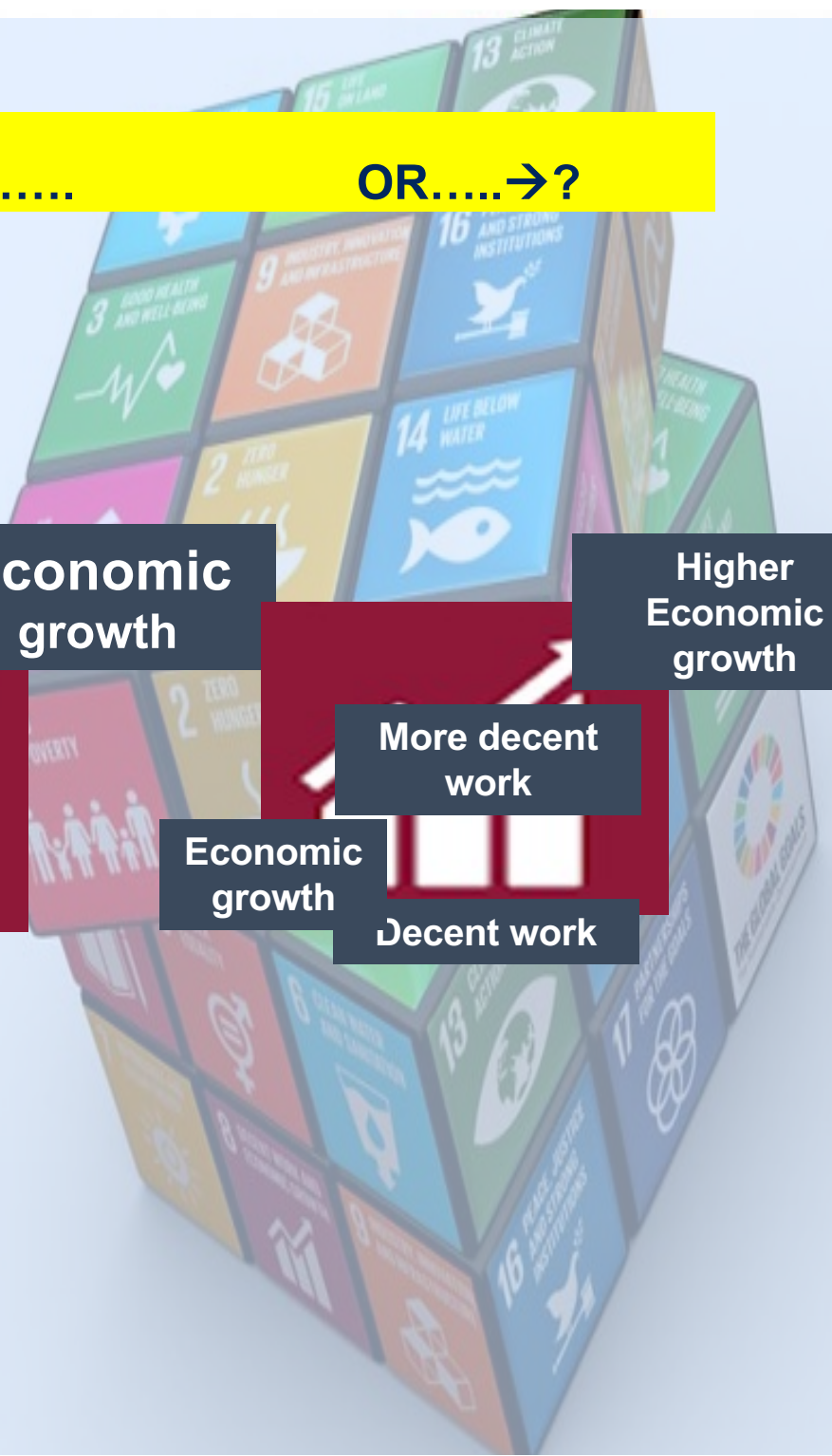
More decent work

Economic growth

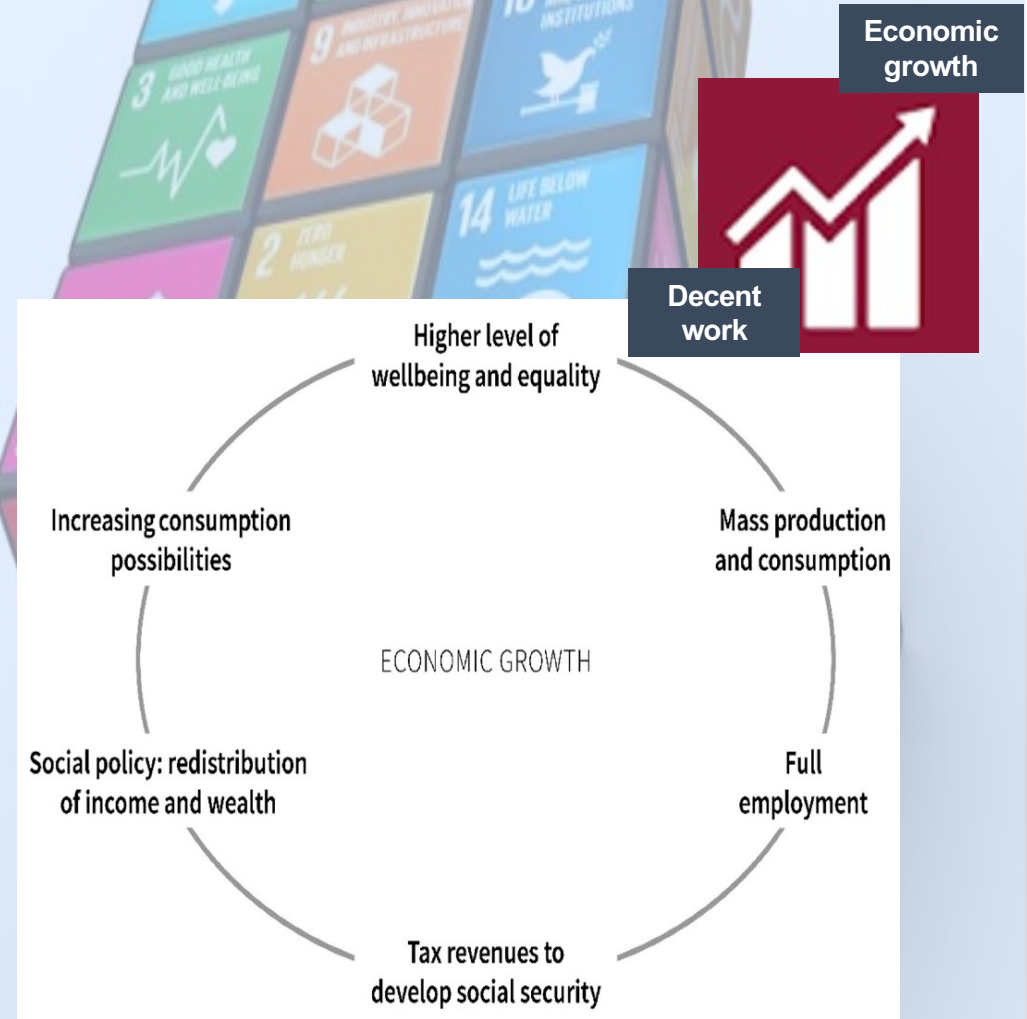
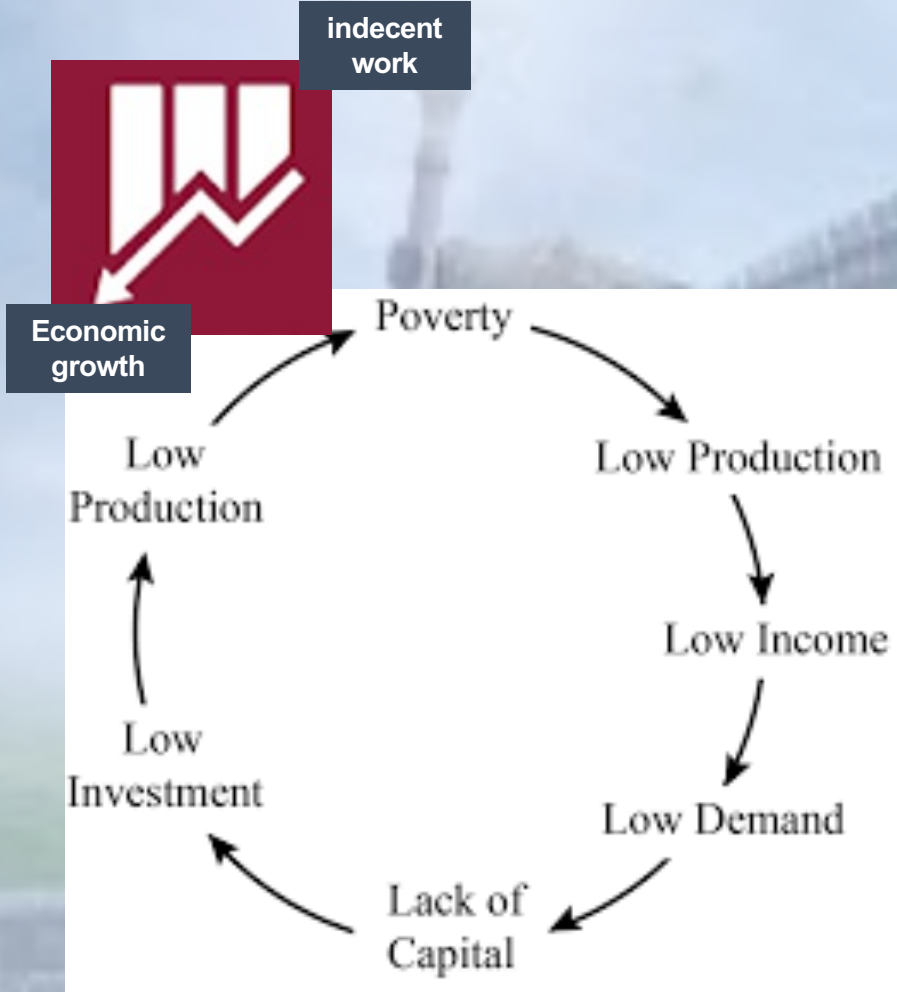
Decent work

Economic growth

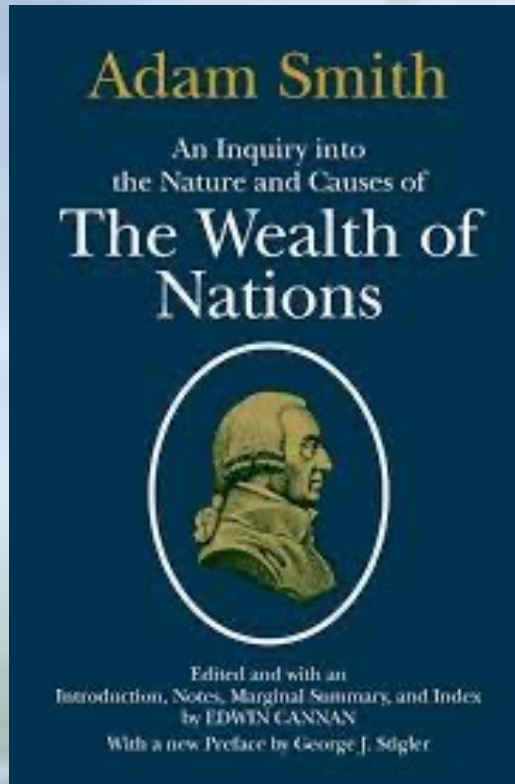
Decent work



VICIOUS VERSUS VIRTUOUS GROWTH CYCLES



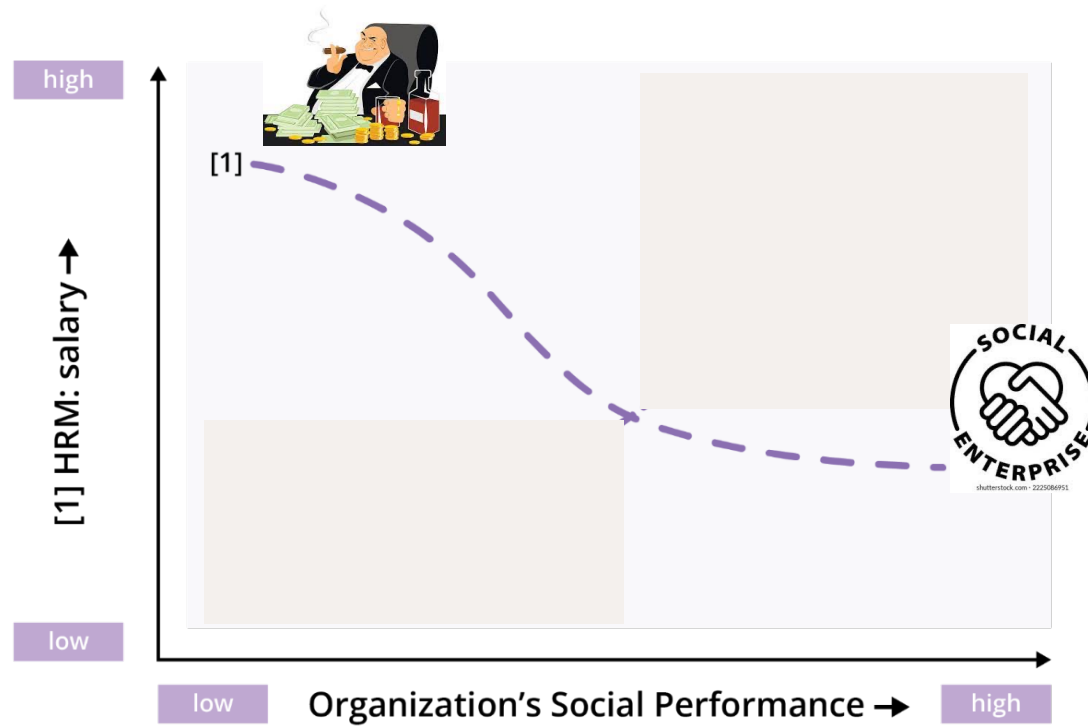
THE LOGIC: WHY LIVING WAGE/DECENT WORK?



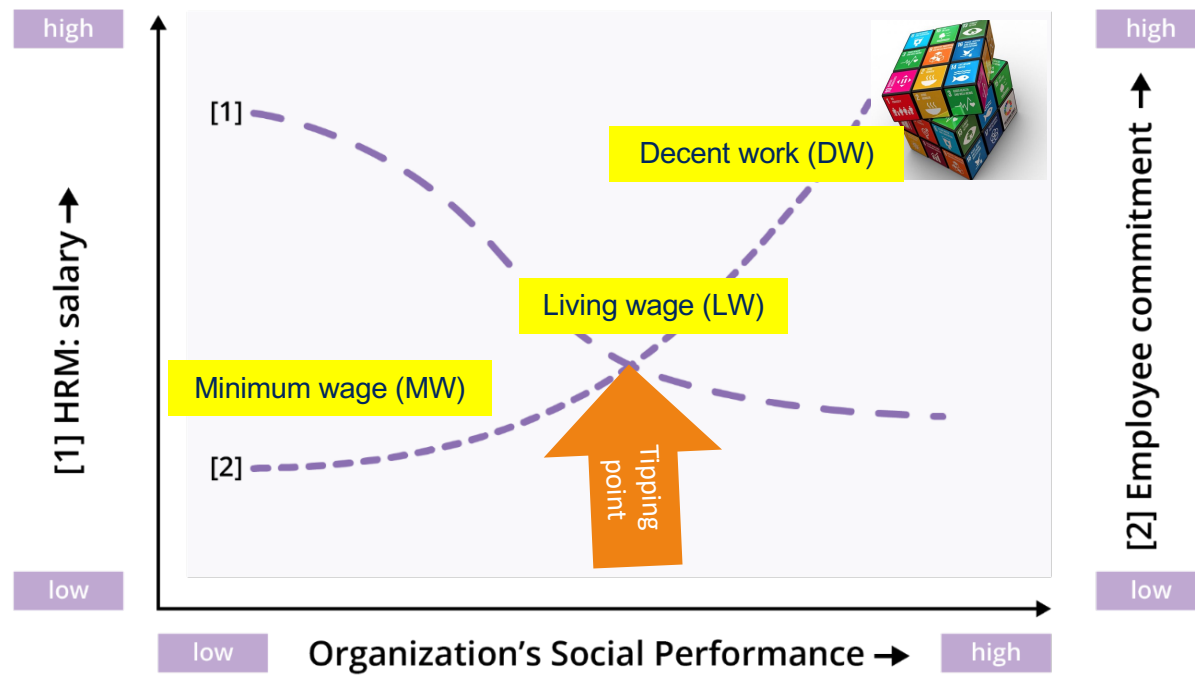
Rising *real wages* lead to the "improvement in the circumstances of the lower ranks of people" and are therefore an advantage to society.

Smith advocated that labor should receive an **equitable share of what labor produces**. For Smith, this equitable share amounted to more than subsistence. Smith equated the interests of labor and the interests of land with overarching societal interests. He reasoned that as wages and rents rise, as a result of higher productivity, societal growth will occur thus increasing the quality of life for the greater part of its members

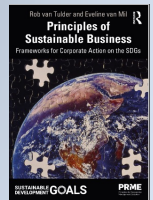
MICRO-LEVEL: THE IMPORTANCE OF MOTIVATED EMPLOYEES



Living wage as tipping point (CSR 2.0 → CSR 3.0)



CSR 1.0 → 2.0 → 3.0 → 4.0



CORRELATIONS: MINIMUM WAGE AS % OF LIVING WAGE



Source: WageIndicator Living Wage data collection and Minimum Wage database. Release: Living Wage Guidance 2023 (October)

NUMBER OF COUNTRIES MINIMUM WAGE > < LIVING WAGE

**Living Wage > Minimum Wage
(N=137)**

Brazil (54%), china (50%), indonesia (47%), Morocco (28%), Russia (55%), USA (59%), South Africa (50%), Ireland (87%)

[Data 2023]

**Minimum Wage > Living wage
(N=19)**

Andorra, Australia, Austria, Belgium, Canada, France, Germany, Japan, Luxembourg, Netherlands, New Zealand, Poland, Saudi Arabia, Slovenia, South Korea, Spain, Switzerland, Taiwan. Province Of China, United Kingdom

[data 2024]

To be monitored: is the LW-MW gap decreasing?

Source: Wage Indicator Foundation
N = 156 countries (January 2024)

What action to take?

A Tale of Three Companies



WAL★MART
ALWAYS LOW PRICES.
Always

Walmart
Neighborhood Market
STORE CLOSED

WAL★MART
Low Wages, Low Morals *Always*
ReclaimDemocracy.org/walmart

Walmart 
Save money. Live better.

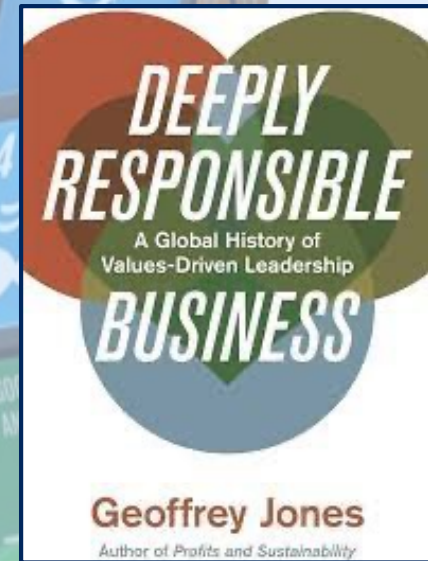
CORPORATE LEADERSHIP IN INDIA



Kasturbhai Lalbhai



Sanjay Bansal



“The business of building a new India”

“Believe in the **importance of community** and to hold that business has a role to play in contributing to its vitality. “

THE FRONTRUNNER CHALLENGE: MAKE USE OF THE NEXUS!

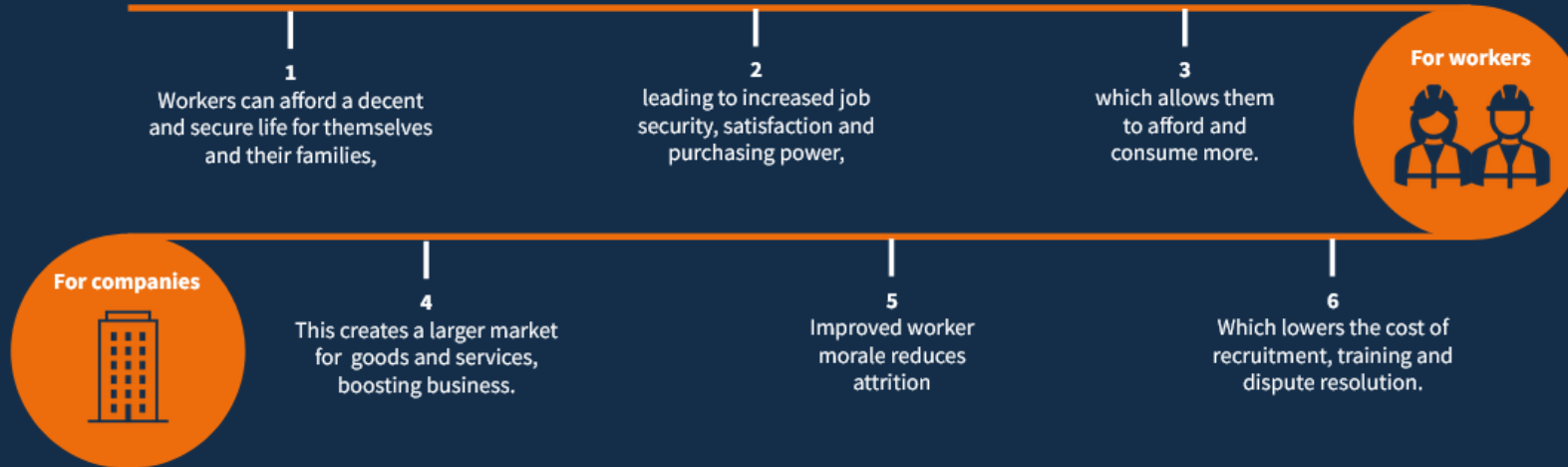


Source: Shift/WBCSD (2018), p. 13 and 49

ERGO: THEORY OF CHANGE

Why is paying a Living Wage important for companies?

It creates a virtuous cycle between employers and workers, strengthening supply chains



Living Wage payment also helps organisations fulfil their SDG and ESG objectives



WHAT ARE THE GLOBAL TRENDS?

8 DECENT WORK AND ECONOMIC GROWTH



8 DECENT WORK AND ECONOMIC GROWTH

A white icon on a dark red background depicting a bar chart with three bars of decreasing height and a downward-pointing arrow.

8 DECENT WORK AND ECONOMIC GROWTH

A white icon on a dark red background depicting a bar chart with three bars of increasing height and an upward-pointing arrow.

RECENT TRENDS IN SDG8: WE ARE NOT ON COURSE

1. Various shocks, including the war in Ukraine, continue to hinder robust economic recovery
2. The pandemic has resulted in volatile shifts in labour productivity, affecting small firms and the poorest countries the most
3. Labour market recovery remains shaky
4. Informal employment was not an option for many workers displaced at the start of the pandemic
5. Rising poverty and pandemic-related disruptions are forcing millions of children into child labour
6. Youth training, education and employment have suffered massive disruptions, with women facing the biggest challenges

Source: UN (2023)

WHAT ARE THE COUNTER TRENDS? ADOPTION OF 'LIVING WAGE'

Frontrunner MNEs:

- Unilever
- Schneider Electric
- Hershey's
- IKEA
- And many more!

which countries take the lead?

UK

Which small companies take a lead:

Many B-CORP companies take the lead at this moment. (Dutch, Italian, German, Australian, Brazilian, etc etc)

Which level of involvement:

Scope 1 (inside the company)

Which relevant platforms:

- Living wage investment platforms
- UN GLOBALCOMPACT
- <http://www.b4ig.org/> - Business for inclusive growth
- Aim Progress
- Recent: coordinated activities between Wage Indicator Foundation and other platforms

Corporate departments involved:

- CSR is very often the starter.
- But if no commitment from Compensation & Benefit, procurement you are nowhere.
- If Finance is not involved it is pointless, since it can cost money to implement a living wages.
- so: CSR, HRM, Compensation & Benefits, Procurement, Finance.

TAKE AWAYS:

[1] Living wage provides an **important leverage** for establishing a positive correlation between work and inclusive/sustainable growth

[2] The **provision of standardised living wage data** (ambition of Wageindicator Foundaton) provides an immense data dividend for companies and countries that want to make use of it

[3] **Main challenge for companies** is threefold:

- Within companies (scope 1) - giving frontrunners 'employee dividend'
- In value chain (scope 2) – dealing with transition problems (and initial competitive disadvantages)
- In society (scope 3) – aligning with the national development agenda – creating partnerships?

[4] Main challenge for governments is: how to make sure that CSR policies are supportive for living wage and create a 'level playing field' for sustainable growth

[5] **Main challenge for NGOs:** selecting real frontrunners and striking partnerships

[6] **Main challenge for knowledge institutes:** selecting frontrunners and doing relevant action research

**FOR ALL OF US:
HOW TO BECOME.....**





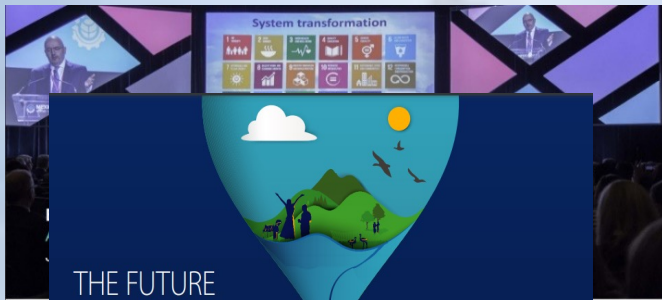
**[3] WHAT CORPORATE ACTION TO
TAKE:**

**Why focus on living wage (and gender
equality) as leverage points?**

The biggest challenge: getting inside the black box Implementing SDGs with private organizations



- [1] Sufficient support!
- [2] Not (yet) sufficiently part of core business
- [3] Prioritization of SDGs is still 'exploratory'
- [4] Difficult to create sufficient nexus effects (linkages)
- [5] Fragmented partnering strategies
- [6] Concentration on 'do no harm' SDGs
- [7] Cherry-picking: 'easiest' SDGs are chosen
- [8] Role of government (from perspective of companies) remains ambiguous, which makes alignment with policies difficult



THE FUTURE
IS NOW

SCIENCE FOR ACHIEVING
SUSTAINABLE DEVELOPMENT



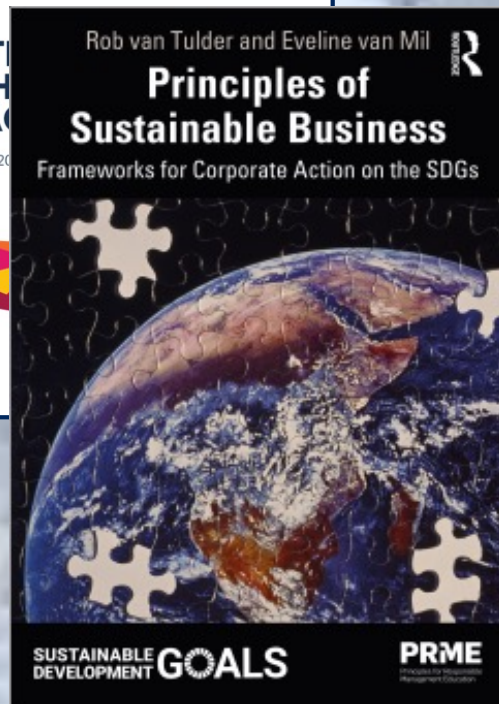
UNITED NATIONS
IN THE
OF ACTION

Building on 20



GL
DE

DNV-GL





GLOBALISATION UNDER PRESSURE: WHAT IS AT STAKE?

**Liberal
Capitalism**

Post WWII
Pax Americana
Post 1991
"end of history"



Visible Trade-offs
(-007ff)



Post 2001:
Emerging markets;
Globalisation ; increased tensions

State capitalism

WHAT ABOUT COMPANIES?

Liberal
Capitalism

The collage contains the following logos and elements:

- Metc
- Apple
- amazon
- Google
- airtel
- HP
- SUZLON
- TITAN
- BAJAJ
- Tencent 腾讯
- Tok
- Alibaba Group 阿里巴巴集团
- China Mobile
- 中国农业银行 AGRICULTURAL BANK OF CHINA
- 中国银行 BANK OF CHINA
- ICBC
- 百度 Baidu
- 北京银行 BANK OF BEIJING
- 中国工商银行 工商银行(中国)
- STATE GRID
- AMERICA FIRST
- ONE BELT, ONE ROAD INFOGRAPHICS MAP
- 一带一路
- WTO

State capitalism

CSR 1.0 + 2.0

CSR 3.0 + 4.0



CSR1.0 = Corporate Self Responsibility

CSR2.0 = Corporate Social Responsiveness

→ Not really helpful in designing a longer term strategy



??

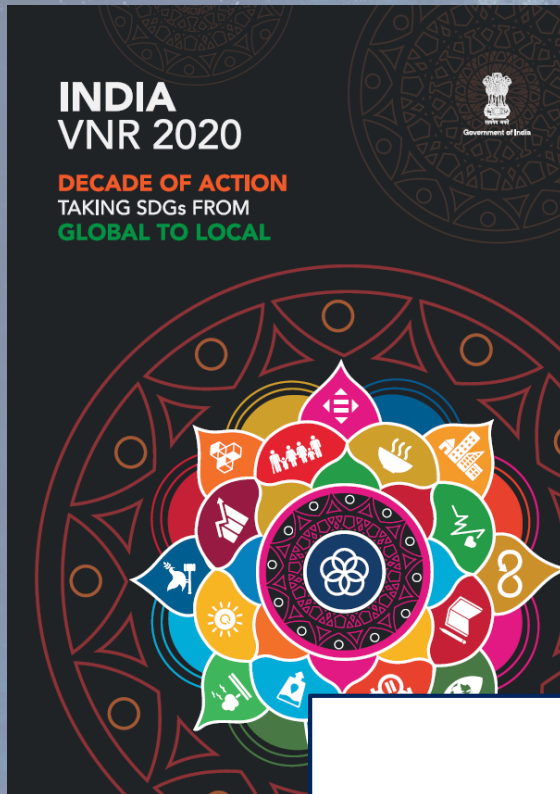
CSR 3.0 = Corporate Strategic & Social Responsibility

CSR 4.0 = Corporate Societal and Sustainability Responsibility

→ difficult in designing shorter-term action points and clear goals



NAVIGATING INFORMATION IN INDIA:

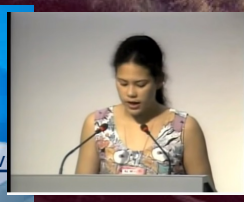


“India’s commitment is reflected in the complete convergence of the national development agenda with SDGs, whose core principle, to leave no one behind, perfectly mirrors in our motto of *Sabka Saath Sabka Vikaas* (Collective Effort for Inclusive Growth). India also recognises that in a country with 28 States, 9 Union Territories and over 700 districts, mere national action is not sufficient, given the enormous geographic, demographic and cultural diversities coupled with significant socio-economic developmental variations. Based on the evidence from the SDG India Index - the government-led subnational measure on SDGs, India has developed a robust SDG localisation model.”

Stressing “do no harm” route

Selected challenges:

- Motivation is fragile: freeze
- Negative frames ‘paralyse’
- Choice stress
- Climate: ‘Apocalyps fatigue’
- Reinforces greenwashing/ whitewashing frames



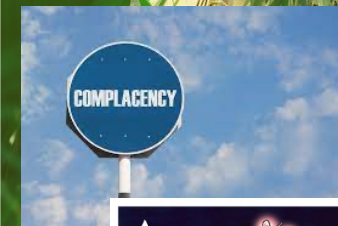
<https://www.youtube.com/watch?v=...>

<https://www.youtube.com/watch?v=...>

Stressing ‘do good’ route

Selected challenges:

- Multiple-stakeholders difficult to organise
- Hybrid governance
- Difficult to scale
- Requires breaking through reactive/short-term attitude
- Beware of Techno-optimism
- Requires extensive collaboration



<https://www.youtube.com/watch?v=...>



TAKING INCLUSIVE/SUSTAINABLE GROWTH INTO ACCOUNT DASHBOARD APPROACHES

Corrective approaches (adjusted index)

- Net Domestic Product (NDP)
- The Green GDP (Netherlands)
- Sustainable National Income (SNI)
- Genuine progress Indicator (GPI)
- Index of sustainable economic welfare



TAKING INCLUSIVE/SUSTAINABLE GROWTH INTO ACCOUNT DASHBOARD APPROACHES

Corrective approaches (adjusted index)	<ul style="list-style-type: none"> • Net Domestic Product (NDP) • The Green GDP (Netherlands) • Sustainable National Income (SNI) • Genuine progress Indicator (GPI) • Index of sustainable economic welfare
Active approaches (different metrics)	<ul style="list-style-type: none"> • Human Development Index (HDI) • Gross National Happiness (GNH)
Replacements and dashboards	<ul style="list-style-type: none"> • Extended Wealth Index (France) • Better Life index (OECD)



→ **SDGs present the best available dashboard approach: measure nexus effects**

CHALLENGE [1]: DEFINE/MEASURE 'DECENT WORK'

What is Decent Work for the ILO?

Definition:

"Opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity"

Decent work is employment that "respects the fundamental rights of the human person as well as the rights of workers in terms of conditions of work safety and remuneration. ... respect for the physical and mental integrity of the worker in the exercise of his/her employment."



CHALLENGE [1]: MEASURE 'DECENT WORK' MINIMUM WAGE \leftrightarrow LIVING WAGE

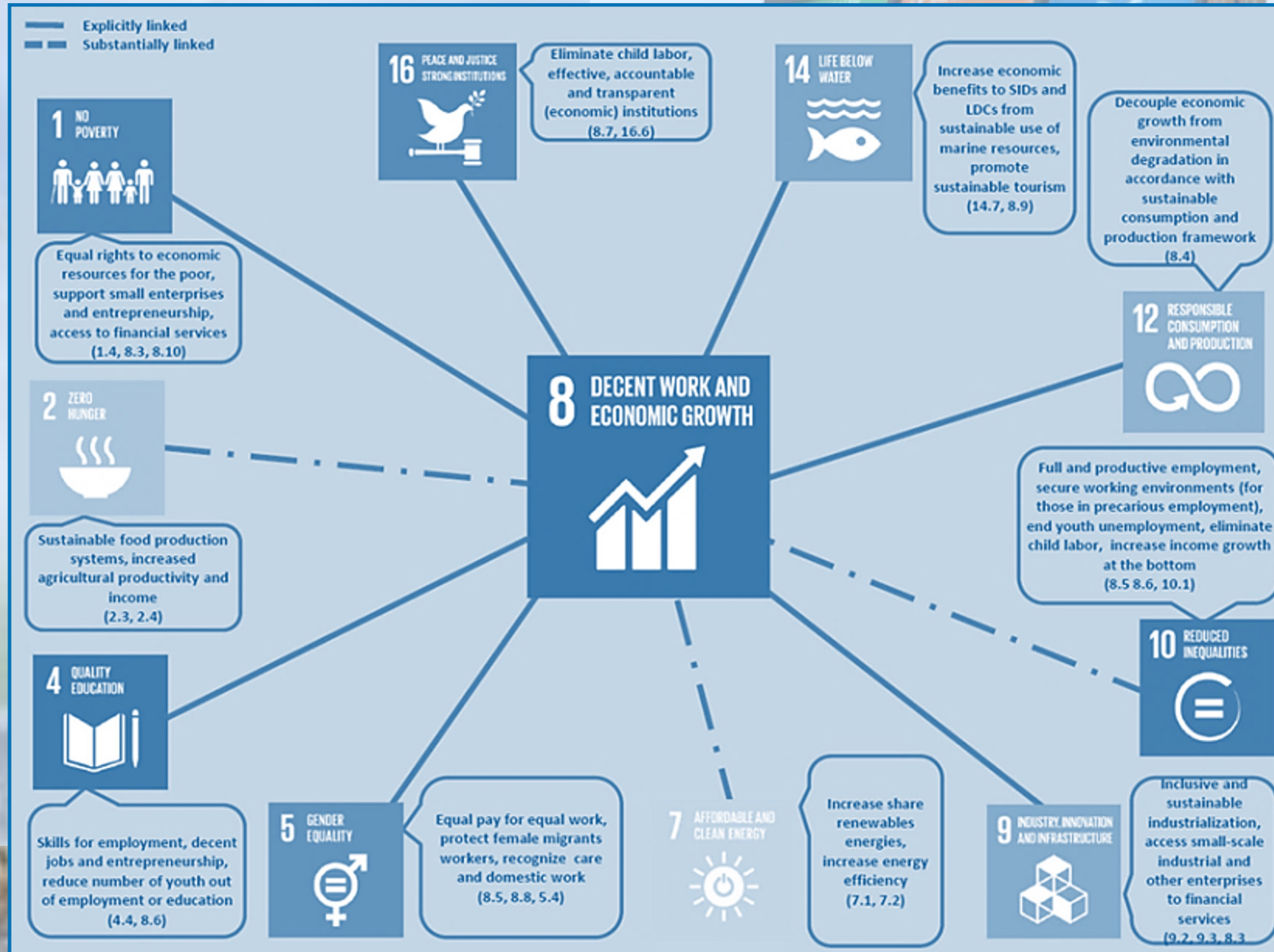
Minimum wage:

The minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract.

A living wage = 'decent wage'

Socially acceptable level of income that provides adequate coverage for basic necessities such as food, shelter, child services, and healthcare. The living wage standard allows for no more than 30% to be spent on rent or a mortgage and is sufficiently higher than the poverty level

REAPING SPILL-OVER EFFECTS



Linking decent work and economic growth: *A Tale of Indian Leaders: kasturbhai Lalbhai*

Common features of deeply responsible leaders

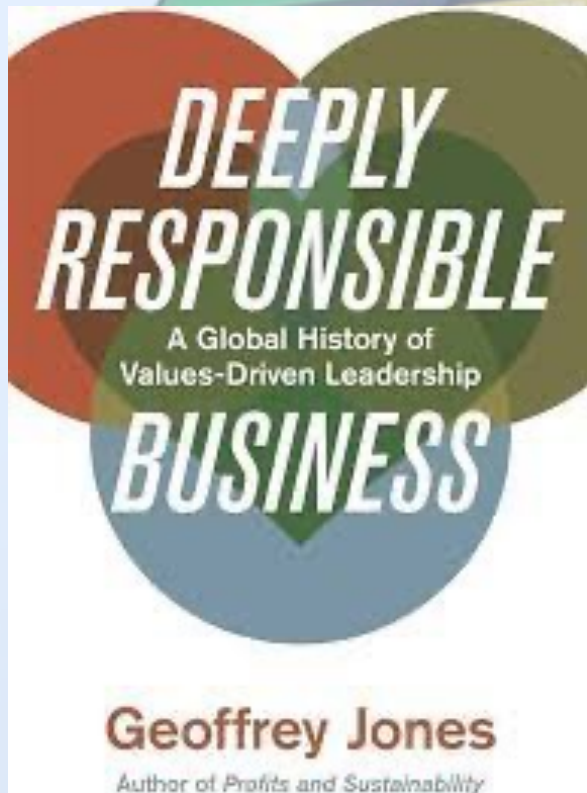
1. Choice of industry. Chose industries that added, in their view, social and ecological value.

2. understood that there were more stakeholders than shareholders and, crucially, treated them with respect and humility. They held a common commitment to ethical behaviour, inside and outside their business. Inside firms, they treated their employees equitably and with respect. Responsible business and the need for democratic legitimacy. The intervention, and they never lobbied for policies in t

3. believe in the importance of community and to h contributing to its vitality. The provision of employ building, but investments in educational and cultu better places to live.

Strongly held values proved the motivation to purs took two forms. The first is virtue, which is shor compassion, courage and generosity. These vi wisdom, what Aristotle termed as "phronesis," whic be exercised. The second value was spirituality. Spirituality is defined broadly as an implicit or explic all life and the planet. Spirituality promoted genuin of unknown futures, and enabled a holistic view social outcomes could not be dismissed as externali

Deep responsibility is best seen as a direction of travel rather than a state of perfection. Trade-offs and moral dilemmas were frequent in the career of business leaders selected for review.



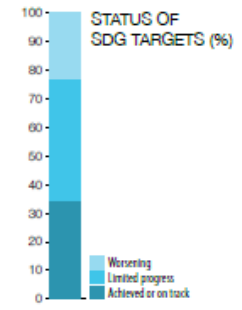
INDIA

East and South Asia

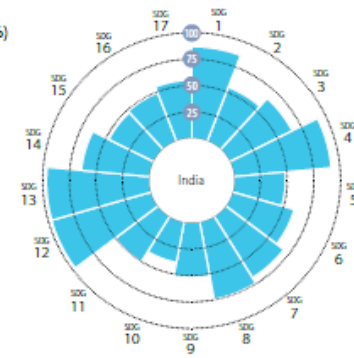
OVERALL PERFORMANCE

COUNTRY RANKING **112** /166

COUNTRY SCORE **63.4**
REGIONAL AVERAGE: 67.2



AVERAGE PERFORMANCE BY SDG



social

SDG DASHBOARDS AND TRENDS

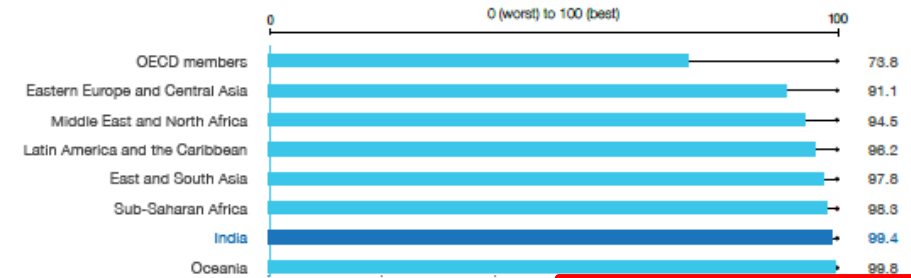


economic

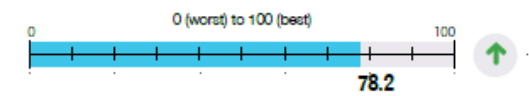
ecologic

institutional

INTERNATIONAL SPILLOVER INDEX



STATISTICAL PERFORMANCE INDEX



MISSING DATA IN SDG INDEX
2%

intelligence