

# The paths to sustainability and competitiveness are intertwined

For the world to be sustainable, we need to start with the same policies that make nations competitive – on health, education, infrastructure and government efficiency, argues **Arturo Bris**

**T**he world has made tremendous progress in sustainability over the past decade. Sustainable Development Goals (SDGs) started their incubation period at the 2012 United Nations Conference on Sustainable Development in Rio de Janeiro, where a mandate called for an open group to come up with a draft agenda to establish sustainable goals beyond 2015. The group, which comprised representatives from 70 countries, held many discussions, taking into account mass feedback that included national consultations and a wide-ranging survey of citizens, who had them prioritize those areas that they wanted the goals to address.

The working group created a draft with its 17 SDG suggestions. The SDG draft was presented in 2014 and, after a little fine-tuning, the document was finalized in 2015. The goals came from a globally shared realization that there were crucial economic, political and environmental issues facing humanity that required urgent action.

The progress towards achieving the SDGs has been uneven and, for some, far too slow. However, the environmental emergency call made by the UN in mid-August has put even more pressure on countries and organizations to speed up their implementation.

Out of the 17 goals, I believe the final one, Partnerships for the Goals, to be the most critical. The UN recognizes that “a successful sustainable development agenda requires partnerships between governments, the private sector, and civil society. These inclusive partnerships built upon principles and values, a shared vision, and shared goals that place people and the planet at the center, are needed at the global, regional, national, and local level.” Without partnerships among governments, companies, communities, citizens, educators, and financiers, the SDGs will not be reached by 2030, nor indeed for many years to come. Strong partner-



ships drive better business, which in turn creates a competitive national economy.

That is why for us, at the IMD World Competitiveness Center, the sustainable journey is no different from the journey towards the competitiveness of nations. In their impressive recent book, *The Narrow Corridor: States, Societies, and the Fate of Liberty*, Daron Acemoglu and James A Robinson propose a theory of freedom that is based on the interaction of the public and the private sectors. For them, successful societies are those with a strong state and a strong private sector. It is only through the interaction of both that liberties, progress and prosperity emerge. They argue that a strong state is one that allows private enterprises and individual interests to flourish. And contrary to intuition, they prove – using case studies from all over the world – that governments that exert too much power without partnering with the public sector are much less effective at getting things done.

We see a similar trajectory with competitiveness. For a nation to be competitive (that is, not just free but prosperous, too), it must develop value-creation partnerships between the government and the private sector. By leveling the playing field, providing adequate infrastructure and regulation, and guaranteeing the provision of basic social services, governments allow companies to invest, create jobs, and generate prosperity. The profitability of firms translates into tax revenues, which improve the country through investments in education, healthcare, and technology. Ultimately, such a virtuous circle creates social progress, satisfies environmental considerations and spurs economic growth. Isn't that sustainability?

Our center has long-defined competitiveness as “the extent to which a country is able to foster an environment in which enterprises can generate sustainable value”. Fostering a country's competitive environment