

Chapter 40

Changing the Boundaries of Expectations: MNE Uptake of Universal Principles and Global Goals

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ABSTRACT

The World Economic Forum Annual Meeting, incorporating the Business and Sustainable Development Commission (BSDC), has stated more rapid attention needs to be directed to implementation of the United Nations (UN) Sustainable Development Goals (also known as Global Goals) by 2030, and this is particularly the case in developing countries. Strategy with this type of inclusion is at the forefront of the solution to current global climatic change and escalating social problems such as poverty, hunger, and inequality. This chapter argues that multinational enterprises (MNEs) are in an excellent position to implement Social Initiatives (SIs) as part of the Sustainable Development Goals (SDG) framework and incorporate this into their CSR strategy. This will allow MNEs to be key instigators of SDG implementation and collaboration across sectors, governments, and public and private entities. This chapter provides an explanation of the various frameworks that support MNEs to implement SDGs, and describes the requirements for implementation, followed by a summary of 15 case studies where SDGs have been successfully implemented within a Shared Value and CSR context.

INTRODUCTION

Multinational enterprises (MNEs), are in a strong position to assist developing countries and their economies (McIntosh, 2015; Visser, 2016), by adopting Social Initiatives (SIs) under the United Nations (UN) Sustainable Development Goals (and/or Global Goals) framework, and adapting their Corporate Social Responsibility (CSR) strategy to fit these needs and the needs of the developing host country where the MNE resides (Munro, 2013b).

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This chapter provides a perspective on this aspect of multinational enterprises (MNEs), and their implementation of the United Nations (UN) Sustainable Development Goals (SDGs), and proposes that there are changing expectations for MNEs. This changing expectation occurs not only within the frameworks proposed through the United Nations Global Compact (UNGC), the Organisation for Economic Co-operation and Development (OECD) and the Business and Sustainable Development Commission (BSDC), but also through the perspectives and actions of MNE stakeholders (i.e. employees and customers). Stakeholders have evolving expectations of MNEs as they become increasingly cognizant of the abilities for MNEs to assist locally in host countries (Sarker & Munro, 2015). There are also varying types of actors (i.e. local citizens, NGOs, nation-state actors, IGOs and governments; and various public and private entities), where an MNE operates, making each host country setting unique for the MNE, and enhancing the expectations across actors in these countries.

To understand these perspectives, the current chapter defines and outlines the developing and least developed country setting, and the situation for MNEs in these host countries. This is followed by an explanation of the frameworks that have developed to assist MNEs to implement strategy within a CSR framework, which includes the Sustainable Development Goals (SDGs) outlined by the United Nations (UN). Strategy with this type of inclusion is considered to be at the forefront of the solution to current global climatic change and escalating social problems such as poverty, hunger and inequality, not only amongst individuals in each developing country where the MNE resides, but also across the inequalities existing between different developing and developed countries.

The context for this discussion acknowledges that the past thirty years has seen the international business environment experience significant changes, especially within the private sector. As governments opened markets, businesses embraced new opportunities, leading to “an unprecedented period of economic growth and ‘inter-connectedness’” (OECD, 2011, p. 1). In particular, MNEs have assisted with wealth creation and poverty reduction through human capital development, job creation, more efficient capital distribution, and technology advancements alongside knowledge and skills transfer. This in turn, has “significantly contributed to the development and economic growth in both (MNE) home and host countries” (OECD, 2011, p. 1), while also increasing the expectations for MNE involvement and further developing their capability to deliver on these initiatives.

More recently, the World Economic Forum Annual Meeting in January 2016 held in Davos-Klosters, Switzerland, incorporating the Business and Sustainable Development Commission (BSDC), brought together many leaders from business, finance, civil society, labour and international organizations. Their key aim was to examine how business can better contribute to delivering the United Nations Sustainable Development Goals (UN SDGs). As a result the ‘Better Business Better World’ report was written and launched in January 2017, stating that the next 15 years to 2030, is critical for communication and urgency, and that all businesses must be involved, leading to the significance of the following quote:

Business as usual is not an option: choosing to ‘kick the can down the road’ over the next four years will put impossible environmental and social strains on a stuttering global economy. (Better Business Better World Report, 2017, p. 7)

Instead the BSDC prescribe a socially focused business model that reaches all parts of the global economy, and in particular, territories previously left to public aid. This chapter discusses this framework alongside the UN SDGs (also referred to as the Global Goals), for all organizations to include in their corporate strategy.

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